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# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**First Session, 33rd Parliament**

Tuesday, November 19, 1985

Evening Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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# LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday, November 19, 1985

The House resumed at 8 p.m.

## FUEL TAX AMENDMENT ACT

Hon. Mr. Nixon moved second reading of Bill 50, An Act to amend the Fuel Tax Act, 1981.

**Hon. Mr. Nixon:** The bill replaces the ad valorem taxation of diesel fuel with a specific tax per unit. In the event there are to be any future changes, they will not now be automatic but will require the approval of the Legislature.

Utilizing this approach, the bill proposes that the new specific tax for diesel fuel be 9.9 cents per litre; that the new specific tax for diesel fuel used in railway locomotives be 3.1 cents per litre; and that these proposed rates take effect on the day following royal assent.

To simplify the objections and appeals process, the time allowed for the taxpayer to object to an assessment is extended from 90 days to 180 days. Provision is made to extend this time limit where circumstances prevent the taxpayer from meeting it.

The provision in the act that grants the minister the rights of entry, search and seizure for any purpose related to the administration or enforcement of the Fuel Tax Act, 1981, is repealed. In its place the corresponding entry, the search and seizure provisions of the Provincial Offences Act will apply. The warrant provisions of the latter act allow the minister to enter, search and seize only when reasonable grounds exist that an offence under the Fuel Tax Act, 1981, has been committed.

Other amendments in this bill are administrative in nature and consequential on the replacement of the ad valorem tax on fuel with a unitary tax. They include the repeal of the provision defining "taxable price per litre" and those authorizing the minister to make regulations prescribing the taxable price per litre of fuel.

**Mr. Dean:** This is another of the revenue measures the Treasurer (Mr. Nixon) has introduced that, although I do not want to attribute any base motives to him at all, resembles a sleight-of-hand performance in that there is great show of a benefit that is being conferred upon the consumer—that is, removal of the despised ad valorem tax—to distract the attention of the audience.

I might say parenthetically that ad valorem is certainly a well-trying system of applying a tax, and I believe the Treasurer commented on this himself at one other time, because it means a rate that varies according to the value of the substance being taxed. Another way of saying it is that it is a percentage tax.

None of us likes to have any percentage of our income or assets taxed away, but this certainly is a very frequently used system. We have it in our income tax; we have it in sales tax. I notice there has not been any particular suggestion that those are evil because they are percentage taxes. They may be undesirable from the standpoint of a person who hates to pay taxes, but no matter whether one takes it away from the citizen by ad valorem—that is, according to the value, price or worth of the product or service that is being taxed—or by saying, "You are now going to give me five cents every time you buy this item, no matter what the price of it is," it is still a way of getting tax from the public to the government for the programs the government believes the public wants.

I do not believe there is anything morally bad about taxing those who benefit in a large sense, and by that I mean the whole citizenry, for the services and products the government is able to provide to the people, we hope in a better way than we could do it singly. Not to digress too much from the topic, because I know most of speakers this evening will not be digressing at all from the topic, there should be some consensus that the programs the government is going to pay for with these taxes are ones that are going to benefit us all one way or another.

It may happen that I never use the hospital system, for example, but I do not mind paying for hospitalization and for medical services. For one thing, purely selfishly, I might need that some time and it is good to have it there; but in a broader sense, we need these services that individuals cannot provide too well for themselves. Just imagine, for example, Mr. Speaker, if you and I happened to be on a desert island where there were no hospitals or doctors—

**Hon. Mr. Nixon:** Talk about the odd couple.

**Mr. Breaugh:** What an interesting image that is.



**Mr. Dean:** I was thinking of the coconut on the tree that falls down and hits the Speaker's head. Here am I, completely incapable of doing anything in a medical or surgical sense, and we are stuck. At that point I am sure the Speaker would gladly pay—

**Mr. Breaugh:** Why would the member want to pick a coconut?

**Mr. Dean:** Because there is probably some meat inside. I think that the Speaker, at that instance, would be glad to pay either an ad valorem or a straight per capita tax—

**Hon. Mr. Nixon:** Anything to get off that island.

**Mr. Dean:** Maybe even a per coconut tax.

**Mr. Foulds:** Maybe even an exit visa fee.

**Mr. Dean:** The point I am trying to make in as direct a way as possible is that we hope the things that have to be paid for by government revenues are desirable at least to the portion of the population that uses them, even if some of the rest of them may not be able to see it all directly at some time.

Further, I hope this government, as ours tried to do in years past, produces only the kinds of programs and services that cannot be provided better by the individual or by private organizations.

**Mr. Callahan:** Like the Liquor Control Board of Ontario?

**Mr. Dean:** The LCBO is a very good example, but I think that is probably for another debate.

Consequently, I hope the added revenue that the Treasurer hopes to drag in by the increase in the tax—and I notice he is not proposing to raise the hated ad valorem tax; he is removing it, because it is such a desirable thing to do. However, he is adding on a straight value tax of 0.6 cents, I believe it is, per litre in this case, which is roughly a 6.6 per cent increase in the tax.

I do not know whether there is any rule that applies either in restraint or free-wheeling spending eras as to how much taxes should go up, in this case 6.6 per cent of an increase. It may not seem like much if we are talking about a fraction of a cent per litre, but it amounts to quite a bit if we are thinking of it in terms of what that implies about the rate at which government spending rises.

To return to my first statement, there is a little bit of almost sleight-of-hand here where it looks as though the Treasurer and the government are taking off something that is undesirable—I

believe it was a 27 per cent ad valorem tax—and putting on only a very moderate little 0.6 cents per litre. That is hardly worth mentioning, except that it is 6.6 per cent of the price of every single litre of diesel fuel that anybody buys in Ontario.

**8:10 p.m.**

Members may say: "So what? I do not have a diesel car." We are coming to that car in the next bill, so do not worry. The gasoline-powered car is going to get it in the neck just as much. In fact, the percentage rate is higher. I think we should all be concerned about the tax increase, unless it can be demonstrated it is absolutely essential to the retention of our good credit rating. I think it will be difficult for the Treasurer to prove that right now.

We just have to think for a few moments about what diesel fuel is used for in Ontario. Sure, it is used for some cars, but that is more or less incidental. It is used mainly for transportation and powering the machinery of production and construction. Even though it may not be the biggest single item in the cost breakdown for the production of almost anything one might like to name, or the construction of buildings and other structures, nevertheless it is just another little grain of sand which sometimes helps tip the balance.

To elaborate slightly, I would start first with what we see most commonly, especially driving on the freeways in this province; the large transport trucks that carry absolutely everything we need these days. It was demonstrated very dramatically to those of us who were present about six weeks ago when the twin bridge of the Burlington Bay James N. Allan Skyway was opened after the two and a half years of construction initiated by the former Minister of Transportation and Communications, the Honourable James Snow of revered memory.

**Mr. Callahan:** Was that after the parkway or before?

**Mr. Breaugh:** The man is not dead yet.

**Mr. Dean:** One can revere people even though they are not notably dead.

**Mr. Breaugh:** That is not true in this case.

**Mr. Dean:** That is a matter of opinion and I would not want to get into an argument about personalities.

The point was, while those of us who were participating in the opening ceremony were standing at the apex of the new bridge structure, we were really impressed by the traffic of all kinds, in particular the commercial traffic that flowed over that bridge. Honestly, there were



trucks of all descriptions carrying everything from automobiles to flowers.

Anything that increases the cost of transportation of the goods and makes it more expensive for the services we use is going to impact on every person in this province, and not particularly with respect to means or the ability to pay.

One goes up to the fuel pump with one's transport truck or perhaps gets it in the yard of the company from which the truck leaves. Somebody somewhere pays the extra price, whether it is the driver, the manager or the shareholders of the company. Naturally, that eventually goes into the cost charged to the person whose goods are being transported. We know what happens to goods when they get to their destination. They are either manufactured into something else and the higher costs are passed on to the eventual purchaser or they are used in a wholesale or retail way and somebody some time pays that extra cost.

We must not forget, when the cost of the item and the service goes up, another juicy little ad valorem tax goes on top of that. As I said before, nobody seems to be objecting, except in the sense that we may not like to pay taxes at all, to the fact that the sales tax is an ad valorem one that goes on top of all these other taxes, such as the extra cost of the fuel to transport the goods or allow the services to be delivered. Transportation is one aspect.

The second area upon which this will impinge is the production of food and fibre; farm products, in brief. Those who farm properly these days do not usually use any kind of tractor other than a diesel and all their other power machinery is undoubtedly powered by diesel engines. They are very efficient engines, but they require fuel. Every time a farmer ploughs his 100-acre field, harvests his crops, sprays his fruit or does anything to produce the items he is raising for sale and eventually for consumption by the people of Ontario, it is costing more.

Unfortunately, as the Treasurer well knows, the farmer does not always have the ability to pass on to the consumer the extra cost of production. If there is one place where a great deal of free enterprise still holds full sway, it is in the farming community, especially in some branches of it. It is a take-what-you-can-get-at-harvest-time market.

Frequently in years of overproduction, because the weather was particularly favourable or because someone planted too much of some kind of crop, farmers cannot even recover much, if at all, beyond the cost of production. The impact of

a higher fuel cost on the producer of the fruit and fibre we need for continuing our high standard of living is going to be felt either by the consumer—and if it is processed it then has a sales tax and heaven only knows how many other taxes put on it in between, so the increase is magnified—or it is going to be felt by the producer, by the farmer himself or herself in lower return at the end of the year.

In an earlier debate I alluded to some years when farm producers do not make a profit.

**Mr. Sargent:** You can say that again.

**Mr. Dean:** I will. I am glad to have the suggestion from the member for Grey. There are some years when farmers do not make a profit.

**Mr. McKessock:** The member for Grey-Bruce (Mr. Sargent).

**Mr. Dean:** The member for Grey-Bruce. I am sorry, I would not want to confuse the members. Regardless of what part of the farming community one comes from, one knows that in those years when the farmer does not make a profit anything that increases the loss is just another burden that one hates to have to bear. The members on the government side, as well as on the official opposition side who are or have been farmers or connected with the agriculture community, know that the intrusion by government yet again into the day-by-day activities of the honest, diligent, hard-working and under-paid farmer is something we do not need.

The Treasurer agrees with me on that. There may be hope that during the committee session on this he will introduce an amendment that will wipe out the increase he is proposing. That would be a real achievement. It would show his heart is still in the right place.

**Hon. Mr. Nixon:** I thought one got this stuff tax free on the farm.

**Mr. Dean:** Is it tax free?

**Mr. Breough:** It was a good argument, though.

**Mr. Dean:** After all, the things the farmer has to buy are generally brought there by truck anyway.

**Mr. Foulds:** Now we see the argument come full circle.

**Mr. Dean:** The point I wish to stress is that all this accomplishes is to raise more revenue. We have to admit it is desirable from the point of view of the government, when it has embarked upon a program of spending that does not seem to have been completely contained in a balanced budget. The Treasurer therefore has to cast

around feverishly in any direction to gather what rosebuds he can wherever they are available.

**Hon. Mr. Nixon:** While I may.

8:20 p.m.

**Mr. Dean:** Yes, spring is still a-fleeting.

I understand the revenue from the fuel and gas taxes is going to increase by \$12 million in the remaining part of this fiscal year. It may not increase by quite that much if this is not approved soon. If it and the companion bill are approved, there will be an increase in revenue of \$79 million in the next fiscal year.

This is not being received too favourably by a number of people who have become aware of this issue. Perhaps the average person in the province does not figure this has much effect on him, but I would like to quote very briefly from a report by a Mr. Shiller. He is not somebody with whom I am well acquainted. Edward Shiller is vice-president of public affairs for the Canadian Manufacturers' Association.

**Hon. Mr. Nixon:** They usually support us.

**Mr. Dean:** Does the Treasurer know him? The member for Dufferin-Simcoe (Mr. McCague) knows him well, so I feel more comfortable quoting him. Anybody that honourable member knows undoubtedly has integrity.

Mr. Shiller says, "This as well as other taxes aimed at industry and production people is a revenue grab." How does that grab my friend? That big mitt of the Treasurer is out there pulling it back, just like a bear paw after a salmon.

The important second part of Mr. Shiller's sentence is that it is "a revenue grab to finance another round of government spending." It was further described by a spokesman for the Canadian Organization of Small Business, a Mr. Solomon, as "making no realistic attempt at reducing the deficit."

Why is Mr. Shiller concerned about its being a revenue grab? I have probably covered some of that territory before, but just in case it has not got through to those who may not be paying as close attention to me as you are, Mr. Speaker, I will reiterate that it is because it is going to add to the cost of production.

What is one of the results of adding to the cost of production, aside from the fact that if one is trying to sell it to me I may not want to buy it as much? It is going to have the effect of reducing the competitiveness of Ontario as compared with other jurisdictions. I hardly need to underline here, because we have heard so much about it in the past six months or more, that we are increasingly in a world economy, and anything

that reduces our opportunity to be competitive is going to have a very undesirable effect on the whole population of the province.

To return to Mr. Shiller again, that eminent representative of the CMA, he says: "The overall effect of this and other tax measures will be to erode the competitiveness of Ontario industry." Again I appeal to the Treasurer, knowing his well-founded background in soil conservation. He knows that erosion of the means of production—in the case of agriculture that means the soil—is a sure way to bankruptcy and oblivion, because once you ain't got it in the soil, you ain't got it in the granary.

The same thing will happen with Ontario industry in general. If we keep on discouraging the competitiveness of Ontario industry by eroding that feature through higher taxes, we will eventually not have very much in the granary, the breadbox or any other part of our substance where we expect to get something to live on now and in the future.

In short, because I know there are scores of others who wish to express their opinions on this regrettable proposal, I will recap by reminding members that the so-called ad valorem tax has not been ad valoremized for the past year and a half, because the tax level was frozen at 9.3 cents in July 1984. We had an ad valorem tax in the sense that it was a percentage of the price at that time, but it has not changed with the price since. The suggestion that we remove this tax, which was jogging along very nicely at 9.3 cents, and replace it with a tax that is now going to be 9.9 cents, does sound like a real bargain price, does it not? It is not 10 cents, but 9.9. It is good salesmanship to put it there, but it is still an undesirable policy—

**Mr. Gregory:** It is a ripoff.

**Mr. Dean:** I hear the member for Mississauga East indicating that it might be a ripoff. I will leave that suggestion for him to develop later on when he has some words to say himself, but I do think it is undesirable that it is proposing—

**Mr. Gregory:** It is gouging the taxpayers. There is no question about it.

**Mr. Dean:** I know my colleague is bursting to get at this, but—

**Mr. Gregory:** I am not even going to speak on this. Go ahead.

**Mr. Dean:** The honourable member is doing a very good job of not speaking. I can hear him not speaking from here.

**Mr. Gregory:** I was trying to support the member.



**Mr. Dean:** That is the best kind. I need the support. Anyway, this revenue grab, as it was described so well by the gentleman I quoted before, Mr. Shiller, to finance the round of government spending, is going to have an effect upon the competitiveness of Ontario and upon the cost of almost every item we buy. We should look very carefully before we consider approving this. I do not think we should support this proposal.

**Mr. Foulds:** I rise to support the bill. It is a tax bill; it does levy taxes. That is what tax bills do. There is nothing revolutionary about that. I do not know why the previous speaker seemed so surprised that a tax bill actually levies a tax.

We are supporting the bill for one very good reason. As the previous speaker indicated, it does away with the despised ad valorem tax. That was his word, "despised." He failed to mention that the despised ad valorem tax was brought in by his government. At least this is a step in the right direction.

The previous speaker also made an argument about how income tax is an ad valorem tax. He is confusing a progressive tax with an ad valorem tax. If I might explain, an ad valorem tax rises automatically without legislative approval. Once the tax is in place, the government never has to come back to the Legislature for an increase in the rate of that tax.

That is quite different from the progressive, increased staging of income tax. If the income tax in Ontario is increased, as it was this year, from whatever it was to whatever it is—the figures escape me—the Treasurer has to bring in a bill to make it 48 or 52 percentage points. There was no ad valorem nature to that; he has to bring in the bill.

Within the tax structure, of course, as there is an increased income and an increased tax payable, there is a higher rate, but that rate is established. One can change the rate of income tax in Ontario only by bringing in a new bill. The previous government failed to bring in a new bill and its ad valorem tax was the tax grab of the century.

It is true that this tax will affect the cost of some production, but it will not affect the cost of production directly on farm or agricultural goods. My understanding is that the diesel fuel used by farmers for agricultural purposes is exempt from this tax.

**Hon. Mr. Nixon:** The member from Mississauga says it is coloured.

8:30 p.m.

**Mr. Foulds:** That is right. It is called coloured fuel; so there cannot be any bootlegging of it. As that fundamental industry in this province is exempted from the tax, it does mean it is applied, but I challenge the previous speaker and any other speakers to give us the comparable rates of taxation for diesel fuel in other provinces, such as Quebec, and see whether we remain competitive in this one instance with such provinces. I very much suspect we are competitive in this way.

I do have, and I want to put to the Treasurer, one case I do not think we can rectify in this bill. There are a few isolated communities, particularly in northern Ontario, and my friend the Minister of Northern Affairs and Mines (Mr. Fontaine) would be aware of these communities, places such as Armstrong, where they must generate their electricity through the use of diesel generators.

In those few cases, I would appreciate it if the Treasurer would look at those situations where a fuel such as diesel, which is a relatively expensive way of producing electricity, could be given an exemption very much the way the agricultural use of diesel fuel is exempted.

The long-term solution in that situation is to make sure Ontario Hydro gets into small hydro generation on streams nearby communities such as that, so they could put in small generators that would supply a small local community.

That tax is a hardship on communities such as Armstrong, and I would very much like the Treasurer to look at that.

Basically, this tax increase is a commercial tax increase. It is there; there is no denying it. I submit that is better than reinstituting toll bridges in this province to gain revenue, which seems to be what the previous speaker was advocating indirectly.

I therefore say very quickly we support this bill. It is an increase in taxation. It is largely a commercial tax. I suggest that basically it does not cause any undue hardship and the province does need to get some revenues to deliver the programs it has committed itself to in the accord.

**Mr. McLean:** I want to speak briefly on the bill. Being from the farm community, I realize what this does to the cost of production for food. I realize also what it does for the tourists in the area.

The Treasurer has tacked on a tax of half a cent a litre on gasoline, and that is for the unleaded gasoline.

**Mr. Foulds:** That is the next bill.

**Mr. McLean:** That is fine. It does not sound like a back-breaking burden for motorists to bear,



and it means very little to the family that puts on 20,000 kilometres a year in a car, but how many cases such as that do we have? In my riding of Simcoe East, many people have to drive 100 kilometres one way to work.

**Mr. Gregory:** I think the member is on the wrong bill. We are talking about the fuel tax.

**Mr. McLean:** That is fine. I am getting around to it. Do not worry about it. This is fuel tax I am talking about.

When one realizes what the cost is to the average motorist, to the tourist and to the farmer, the extra is too much for the people of the province at this time. I have a farm that uses a lot of fuel.

**Hon. Mr. Nixon:** There is a lot of revenue.

**Mr. McLean:** There is a lot of revenue and there is a lot of expense.

When we talk about the cost and the increased cost, and when we realize the ad valorem tax that was on has been frozen for the past year and a half, what taking off the ad valorem tax does is it sets a price that is set year by year by the Legislature or by the government when it wants to, but the government has also increased the price of fuel.

That is the part of the bill that disturbs me. Bill 50 is strictly a tax that was in the budget. When we talk about the generation of electricity in northern Ontario, I know of many reserves and many parts of the province where that is a great burden on many of those people. When we look across this province, I believe there are many people who will be burdened by this extra tax. It may mean very little to some families, but in my riding it means an awful lot to a lot of people. I just wanted to speak briefly and indicate that we will not be supporting this bill. At least, I will not be.

**Mr. Haggerty:** I want to address Bill 50, An Act to amend the Fuel Tax Act, 1981. I listened to some of the comments from my colleagues on the other side. I am like the rest of them; I do not like to see tax increases either. I can recall my days sitting on the other side as the Revenue critic, complaining about the ad valorem tax, which was introduced in 1981.

There was a big debate in the House at that time. The government of the day, the Tories, had indicated during the election that there would be no increase in taxes anywhere. However, they brought in the ad valorem tax, which certainly hit the consumers at that time. We opposed it from all sides and said that if we ever got elected to the

government side, we would move in this area to have it rescinded. That is what the intent is.

I listened to some of the comments of the members tonight, and I must say that if we look at the good side of this tax, it is not so high that one cannot afford it. The critic for the Conservative Party talked about user fees. I believe in and strongly support user fees. I suggest the tax increase is a minimal one; it is not that great. Let us look at the good side of it. There will be a \$60-million fund for municipal improvements for special road renovation and transit capital projects. If we want to spend money in that area and to improve the transit system around the Metro area, we will have to raise taxes.

**Mr. Wildman:** Do you mean there are no free buses?

**Mr. Haggerty:** There are no free buses. They are subsidized pretty heavily now by the government.

All I am suggesting is that there are some good points in here. One has only to look to the United States, where President Reagan introduced the five-cent-per-gallon fuel tax, to see the number of road improvements on the American side. They are building new highways and replacing obsolete bridges. I do not have to tell members that the cost of twinning the Burlington Skyway, some \$70 million or \$80 million, is a pretty hefty cost to the province.

**Mr. Wildman:** Do not point to Ronald Reagan as a way of getting our support.

**8:40 p.m.**

**Mr. Haggerty:** What I am saying is that many of my friends do not look to see what has taken place on the American side. Here, if we are to spend a little bit more money on regional roads, county roads and even some of our highways—they need much improvement in this area—the only way we can do that is through a tax levy.

However, the most important thing is that we are going to be creating jobs out of it. The key thing we are looking for in Ontario is jobs for our young people. Here are jobs in the construction industry, and that is the way to go.

We have to increase taxes in certain areas. If we look at the present tax base as it relates to road construction in Ontario, information I obtained through the legislative library research service shows that 65 per cent of the revenue generated now in Ontario is picked up through gasoline tax, diesel fuel tax, licences for drivers and vehicles and so on. The other 35 per cent comes out of consolidated revenue.

When one talks about an imbalance in taxation, it certainly is so in this area. For example, we are asking some person who has never driven an automobile, and never will, to pay a road tax to subsidize myself and the members on the other side to finance the road and transit systems in the province. Is that justifiable? Is it what we call equity within the taxation?

The Smith report of 1967 on taxation drove home a point when it said at that time the government should be looking to users to pay their share to use the provincial roads. We talk about the cost affecting people in the northern areas. Yet we have vehicle operators on the roads today who in a sense are not paying their fair share in user fees and are operating vehicles on provincial and municipal roads. One might say those are the ones who get the free ride when they use propane or natural gas fuels.

**Mr. Guindon:** Why do you not tax propane?

**Mr. Haggerty:** It may come. The previous government was thinking about it a couple of years ago.

**The Acting Speaker (Mr. Morin):** Please address the chair.

**Mr. Haggerty:** However, for 42 years it did nothing in this particular area.

**Mr. Wildman:** Talking about trucks that burn heating oil—

**Mr. Haggerty:** I am just suggesting that when one looks at the small cost—

**The Acting Speaker:** Order. Would you please address the chair?

**Mr. Haggerty:** I was speaking to the chair. However, I am having a difficult time getting it through to the members on the other side, some of whom have been sitting with a government that was in power for 42 years, to look at the injustice being done with fees to use our roadways, highways and the rapid transit system in Ontario.

The minimal tax increase from removing the ad valorem is not going to break the province or the user, the person driving the vehicle on the roads. A \$60 million fund for municipal road improvements for special road renovations is important. It would be difficult for me to go back to my riding and say, "We are not going to complete the other four lanes of Highway 3 because no money has been allocated in the budget." This budget is only for five months. We are still picking up from where the previous government left off in the last seven months.

Although there is some criticism, it is a good approach to a fair way to bring a form of taxation whereby the user should pay.

**Mr. Partington:** I am pleased to speak on the Fuel Tax Act as proposed.

In a footnote by Conrad to a document entitled *Voices in Time*, he stated, "Man is a thinking animal, a talking animal, a toolmaking animal, a building animal, a political animal, a fantasizing animal, but in the twilight of civilization he is chiefly a taxpaying animal." That is becoming more and more his chief occupation.

It is very important to fuel the engines of our economy, and we have to because we certainly want to put a tax on the fuel, but it seems to be growing and growing. The 9.9 cents per litre tax is an increase of 6.4 per cent over the tax as it previously existed.

One thing of which the government should be mindful is the fact that once it is achieving a fair tax with respect to all other aspects of our economic life, it should make sure it keeps increased taxes within a reasonable inflation rate, which probably should be more in the four per cent than the 6.4 per cent range. That is very important for consumers, most of whom have a tough time living within the inflationary costs we have, even though they may have been kept recently to a minimum of four per cent.

An increase of 6.4 per cent on fuel results in a substantially greater increase in the final cost to a consumer when the multiplier effect is borne through the economic process. So more and more of the consumer's dollar is used to pay for the products, in this case as a result of an increase in the fuel tax.

Certainly in my area, where very often agricultural products are trucked over to the Ontario Food Terminal in Toronto and then trucked around the province, the 6.4 per cent increase will add substantially to the cost of fresh fruit coming into this province and will have a detrimental effect on a product whose sale we should be encouraging to assist the farmers in obtaining not only a fair price for their product but the sale of their product and also to preserve, particularly in the case of Brock, the tender fruit lands that are there.

**Mr. Wildman:** What happened to the food terminal of member for Cochrane South (Mr. Pope) in Timmins?

**Mr. Partington:** I have no knowledge of that.

When we look at the American scene we see that fuel taxes are substantially less. In many ways we compete with the United States. One thing we have to bear in mind in increasing and in levying our taxes is the effect they have on our competition with the Americans.



It seems to me that increasing this tax at a 6.4 per cent rate when the average inflation rate is running at about four per cent is just too inflationary and is going to have a negative effect not only on the consumer, who ultimately has to pay for it, but certainly on the economic viability of many small businessmen and farmers, who really consider fuel tax and keeping it reasonable an important part of staying in business.

I will be voting against the Fuel Tax Act as proposed.

**Mr. Hennessy:** I am pleased to have this chance to join in the budget debate. One of the key jobs of any government is the presentation of a budget. In that document a government can show judgement and leadership. It can prove its competence. It can prove that the people's trust in it is justified.

**The Acting Speaker:** Order. The debate is on second reading of Bill 50, An Act to amend the Fuel Tax Act, and not on the budget.

**Mr. Hennessy:** I have it here. I will get to it.

**The Acting Speaker:** This debate is on the Fuel Tax Act and not on the budget.

**Mr. Hennessy:** Just be patient. I will get to it. I know where I am going.

**The Acting Speaker:** Go ahead and get to the point.

**Mr. Hennessy:** Is that okay with the Treasurer?

**Hon. Mr. Nixon:** Yes. I am listening to every word.

**Mr. Hennessy:** All right.

We cannot talk about the people's confidence being justified. Why? Because this government was not elected to govern. All it did was win a popularity contest with the third party in this Legislature.

What about judgement? Ontario has lost its credit rating since this budget came out. Our name has been blackened in the investment capitals of the world. If that is judgement, I would hate to see this government on a bad day.

Especially for the northwest and the great city of Thunder Bay in the riding of Fort William, the budget offers little hope and is full of little gouges and small ideas. To northern enterprise these gouges will be the death of 1,000 cuts. This government just does not understand the north; it just does not understand our needs. What is worse, they do not want to listen, as we listened to them when we sat on the other benches. It is not doing the job the people of the north and of all Ontario expect of it.

Let us bring up just one issue. Let us look at the gas tax. The members opposite do not have to worry about gas taxes; they all ride in limousines. The taxpayers pick up their tab.

**Mr. Wildman:** We are not on the gas tax. We are on the fuel tax.

**Mr. J. M. Johnson:** The member should not be jealous. He may get his day.

**Mr. Hennessy:** He will get his day—in heaven, I hope.

In regard to the fuel tax, one has to realize that many people in northwestern Ontario sometimes have their furnaces on starting in September. It is a long winter up there. I would advise some of the government members to spend the winter there and see how the people there exist.

**8:50 p.m.**

One has to realize that with the cost of fuel tax and the gasoline tax the government is more or less gouging the people of northwestern Ontario to a great extent. It is very well to say down here that the weather is a lot different. Today we have a foot of snow there, if somebody would like to bring his snow-shoes up to Thunder Bay and have a little prance around. We could bring the Treasurer up there to see how things are working.

One has to realize a lot of people work and have to go many miles to get to their place of employment.

**Mr. Lupusella:** Oh, no.

**Mr. Hennessy:** He does not believe it? Oh, he is talking to his friend.

If one wants to go from one place to another, it is 20 to 25 miles. Distances are far between one town and another. People have to do a lot of travelling. It makes it a little difficult for people who have to pay for an extra driver's licence, an extra licence plate and the fuel tax. How much can the government tax the people? It is taxing them enough now. It is taxing them to death.

Regarding the roads, the government is not putting enough money into the roads. The government is charging more money for other areas, such as licence plates, etc., but it is not doing anything to improve the roads for people to travel on.

All in all, it is not fair to the people of northwestern Ontario. It is not fair to the people of the province to raise the fuel tax. As far as I am concerned, I will be voting against the tax.

**Mr. Guindon:** It is with pleasure that I rise tonight to speak on the fuel tax. I am especially concerned about a few things that were said here tonight with regard to the fuel tax.



The member for Erie (Mr. Haggerty) mentioned that some 60 per cent of money expended on roads and highways was collected through fuel tax, corporation tax, etc. Only five per cent of the revenue which comes from the fuel tax goes towards the general budget.

I would also like to reflect on the transportation costs. When the government increases the tax on diesel fuel, it is increasing the cost of transporting products, whether it is from southern Ontario to eastern Ontario or to northern Ontario. Every time the government increases the fuel tax, it is increasing the costs of all the haulers and truckers and it puts them in a difficult situation. They have to increase their prices; thus the consumer has to pay again.

Contrary to what a lot of members think, all farmers do not use coloured fuel. Some of them have to use clear diesel because they live in eastern Ontario or in northern Ontario where the weather is cold. The diesel tractors in winter do not always start the way they should start, and the blame is laid partly or mostly on the colouration or additives put in the diesel fuel. Also, they claim the injectors and fuel pumps wear out much faster. Therefore, they buy clear diesel to put in their tractors and vehicles and then have to wait for their rebate from the government. This is cash outlay. This is all cost added to the farmer.

The Treasurer should think about giving a tax break for farmers who want to equip their vehicles with radial tires. Radial tires save on fuel. They save on wear. They also stop compacting of the soil. If the Treasurer was good to the farmers and gave them a 30 per cent discount on radial tractors for the farm, he could kill two birds with one stone.

There is one more point I would like to make on the US tax on diesel fuel. The US tax on diesel fuel is very minimal. It is a tax on the mileage one travels in each state when one crosses a state. One gets a licence and is charged every year or every month on a mileage basis. It is not as the member for Erie said. He mentioned that in the United States they pay for all the roads with a five per cent tax on fuel. It is mostly each individual state that looks after the bridges and the roads.

For the time being, this is about it. I do not think the fuel tax is a good tax and I oppose it.

**Mr. Pierce:** I rise tonight to speak in opposition to the change in the fuel tax system. As my friend next to me has indicated, one has to live in the north to know what this tax does to the person who is trying to promote secondary industry and industrial growth in northern Ontario. This is a regressive move in the

direction of trying to indicate to the people of this province that we are positively thinking about moving out industrial growth into the northern hinterland so that the people there have a better opportunity to benefit from all the good things government can do.

Again, as was stated earlier, an operator in northern Ontario starts up his truck in early September and does not shut it down until late in May, because if he does it will not start in the winter without a lot of problems, without a lot of additional fuel and a lot of propane to keep the diesel units warm enough to start them again.

The tax that is added here becomes just an additional cost to the consumer in northwestern and northern Ontario. This tax is passed on to the person who is buying the commodity or goods that are being transported by the diesel trucks on the highways. There is nothing here that indicates that now somewhere, because of this particular move by the government on the other side, commodities in northern Ontario and northwestern Ontario are going to be cheaper and easier to purchase. In fact, the consumer on the street will pay the additional tax for the truckers and the industries that are required to pay this cost of getting their products to the people in northwestern and northern Ontario.

We talked earlier in budget debates about the high cost of living in northwestern and northern Ontario. A lot of it stems back to high transportation costs. I know the Treasurer is well aware, from listening to my predecessor, Pat Reid, the representative from the Rainy River district, that transportation is a very important factor in northwestern Ontario in getting products to the people.

We talked earlier in the budget debates about the cost of milk in northwestern Ontario. As we always said, it goes back to the high cost of transportation. The Liberal government is well aware of those costs. It has been harping on them for a number of years to a party that was on the other side of the House at one time. It talked about all the good things it was going to do to ensure that people in Ontario got a fair shake.

I say this kind of tax does not give the people in all of Ontario a fair shake. Products that are required to be moved from northern and northwestern Ontario to southern and eastern markets will now be boosted in price and that will lessen the chances of those goods being competitive on the open market. In the reverse, products moved from eastern Ontario, which are so badly needed to promote the industries in northwestern Ontario,

io, will increase in cost because of this particular move on behalf of the government.

I do not understand the reason. If there is to be some break in gasoline and fuel prices down the road, this regressive move takes away any chance of a break.

We talked about promoting tourism and how badly needed tourism is for the stabilization of this province. Yet all records show the American tourist is going one gas tank away from home. A lot of those vehicles, automobiles especially, because we are talking about fuel tax and not gasoline tax, are being switched to diesel fuel in the United States. They are coming into Canada on diesel fuel. In turn, their owners are now required to purchase this gas with the change in tax.

9 p.m.

I can only say in closing that I do not believe this is the kind of move this government wants to portray to the people of Ontario as promoting a better standard of living.

**Mr. Wiseman:** I would like to speak on this bill for a moment and to tell the Treasurer that I am a little disappointed in him. When he sat where we are sitting now, I thought he was a reasonable man and had some sympathy for some of his fellow farmers. Even though I understand his wife is, as my wife often is, the farm manager at home and looks after things, I would have thought he would listen to her once in a while, as I try to do my wife, and give her some encouragement for staying at home and managing the farm.

When he does something such as this to keep an election promise—I understand one of the Liberals' election promises was that they would take the ad valorem tax off—and sneaks in a 6.4 per cent increase to the general public, one pays it in the fuel tax or over the counter for goods that are shipped in by transport or whatever.

I wonder whether the Treasurer, who is a part-time farmer like myself, has ridden a tractor or done any farm work this fall. Perhaps when his farm manager, his good wife, is ploughing, she knows, as the member for Cornwall (Mr. Guindon) has said, that many of the farmers hate to use the coloured fuel in their diesel tractors for the reasons he mentioned and go to the clear diesel fuel. Perhaps he even does that on his own farm; I am not sure. I think the Treasurer should look at this.

I understand the ad valorem tax went up and down with the prices and there was a chance of its going down. With his tax now, there is no chance of that happening. I see by his lovely tan that the

Treasurer has been south of the border; when we see the breaks their truckers and others get with their diesel fuel and compare those breaks with the ones on this side of the border, it seems we want to penalize them every way we can at a time when their costs are high. As many of the other members have said, we pass those costs on to the consumers; so the 6.4 per cent we are talking about in the fuel tax is peanuts compared to what it boils down to by the time the delivered goods are in eastern Ontario, northern Ontario or wherever.

The Treasurer could reassure me that he is a fairer man than he appears to be in bringing in this kind of legislation by rescinding this tax. At least, if he takes the ad valorem tax off he should not raise the tax at this time. When he raises it by 6.4 per cent at a time when civil service wages and many other wages are kept at something close to four per cent, the government is not practising what it preaches by passing this on to the consumers of Ontario, the good farmers and small businessmen who are out there trying to make a go of it.

The Treasurer should consider it, be fair and rescind what he has done here and put it back to what it was.

**Mr. Baetz:** I would like to comment very briefly on the negative impact this tax will have on tourism. I speak on tourism especially because I know the Treasurer has for many years been one of the very strong and articulate supporters of greater tourism for the great province of Ontario. He has spoken at great length about the tourist attractions in his part of the province. I am sure the very distinguished member for Grey-Bruce would be able to talk about tourist attractions in Grey-Bruce, including the great towns of Chesley and Hanover, my birthplace. All 125 members could talk about tourist attractions in their own ridings.

Yet we know there are two or three enormous disincentives that keep a lot of Americans away. We must remember there are some 180 million Americans living within one day's driving distance of our great and fair province. They would like to come here to visit, to see our sights and enjoy our cultural activities, but there are two enormous disincentives that keep hundreds of thousands, perhaps millions, of Americans away, which means a tremendous drain on our economy. One is the high cost of and high tax on our liquor, and the other is the high tax on our gasoline.

After 42 years reflecting out in the desert I imagined this great Liberal government would



come back and at least be a little more imaginative on this issue than to simply increase rather than decrease the tax on gasoline and provide another disincentive for Americans to visit our province.

We can talk about the policies and the philosophies of ad valorem or direct tax, but the American tourist does not engage in that kind of discussion. He simply asks the price of gasoline in Ontario at present. Thanks to the proposal for this tax measure the answer to the American tourist is that taxes have gone up again, the cost of gasoline has gone up again. It is probably one of the most short-sighted proposals from this government.

Interjections.

**Mr. Baetz:** There is the member for Waterloo North (Mr. Epp), the home of the Oktoberfest. Ninety per cent of the people who come to the Oktoberfest are Americans.

Interjections.

**Mr. Baetz:** Not any more. That is one more reason why they stay home. I heard the member for Windsor-Walkerville (Mr. Newman) talk about tourism for his part of Ontario. Because of this increase in gasoline Americans are going to fill their tanks in Detroit, come over and drive around until the tanks are empty and then go back and refill them because gasoline costs are high in this province.

For any government that pretends to try to encourage tourism in the province, it is the epitome of short-sightedness to—

**Mr. Wildman:** On a point of order, Mr. Speaker: Perhaps you could direct the member to talk about the fuel tax. Not too many tourists drive 18-wheelers around this province.

9:10 p.m.

**Mr. Baetz:** What is the member talking about? Has he never seen the mobiles come over here? Obviously this gentleman does not know what we are talking about. I am talking about recreational vehicles.

Interjections.

**Mr. Speaker:** Order. I am sure the member is going to return to Bill 50, An Act to amend the Fuel Tax Act.

**Mr. Baetz:** The member for Port Arthur, Mr. Talkative from Port Arthur, does not realize that the Americans come across loaded with fuel in their recreational vehicles. They load up across the border because they realize that when they come over here, the cost of fuel is far too high. This tax is going to make it higher.

Anyway, I simply plead that the minister reconsider this tax because of the negative impact on one segment of our tourism trade. I have to draw pictures for these people who do not know what I am talking about, the two of them over there. I ask the Treasurer to reconsider this tax, which will simply be one more disincentive for one segment of our tourism trade.

**Mr. Sargent:** Naturally, I am in favour of the legislation, but I suggest to the minister that a lot of us are getting fed up with all the hanky-panky and all the Russian roulette they are playing in gas stations. They are putting up their signs, and the increases are 0.9, 0.8, 0.7 per cent. It is a con game with which the public is putting up.

I wish there were some proviso in the legislation that when these gas stations do have a price war, they not put prices up by 0.1 or 0.3 or 0.4. They should have a uniform number across the bit and quit this con game about 0.9 or whatever the increases are.

I think it is the most important commodity we buy today, and people are getting fed up with all this nonsense of the price wars in the gas stations. The minister should be conscious that this increase comes to—I had better multiply it out—39.6 cents per gallon in tax. On a \$2 cost per gallon we are paying 39.6 cents in tax to pay these guys' salaries, so they cannot vote against that part of it.

So instead of making everything a decimal point, make it an even number in the public interest. I know that is going over like a lead brick, but for the record, it should be an even number.

**Mr. Rowe:** I rise in my place this evening to address the fuel tax that the present government intends to implement. However, before I address this issue, and to the member to my far left—and I might add that he seems comfortable over there—I wish to take this opportunity to relate something for a moment to the Treasurer, the member for Brant-Oxford-Norfolk. I feel I share a moment of history in this great House, since the minister's late father and my late grandfather sat, much as we are sitting this evening, on opposite sides of the House about 62 years ago, that being from 1923 to 1926. I am happy to say things have not changed.

They sat in 1937. I am sure we all remember when the great Mitch Hepburn at that time burned his way across this province in a Liberal barnstorming election.

My grandfather often referred to the Treasurer's father as a gentleman and an honourable colleague. From my very short time and experi-



ence in the House, the member for Brant-Oxford-Norfolk seems to exhibit a reasonable amount of what his father possessed. You will note, Mr. Speaker, that I said a reasonable amount of what his father possessed.

**Hon. Mr. Nixon:** Do not go overboard.

**Mr. Rowe:** I intend to weigh the balance as I spend the next few years in this House watching and working with the Treasurer. On that note to the member, I might add there is a real possibility we could have, and probably will have, a new Treasurer in the fullness of time.

**Mr. McClellan:** Early fall.

**Mr. Rowe:** Or later; perhaps early fall. Liberals and New Democrats do make strange bedfellows, as has once been stated.

The increase in the provincial tax on fuel is especially detrimental to my riding of Simcoe Centre. Barrie and Bradford are the main areas of population in this riding. Industry and commerce are on a much smaller scale here, much like the Treasurer's riding. We have a major segment of the population who must commute to Toronto on a daily basis. This is a hardship in addition to hardships imposed by the free market, the increase in insurance costs and the costs of buying and maintaining a reliable vehicle.

Transportation is another aspect of industry that is hit. The member in the front bench to my left would not understand that because he does not understand industry. That has a ripple effect throughout our economy. Trucking and transport are fairly significant industries per se in my riding. They provide a fair portion of the residents with employment and also a means to market our products.

We have a portion of the Holland Marsh, the vegetable bin to Ontario, in this riding. I am sure all members are familiar with that area; they have driven through that great area on the way to their cottages. As the Treasurer must realize, this is a fuel-intensive industry. The people who operate in this industry must compete with American and Mexican produce. They must compete with the whims of Mother Nature as well. To add to this by imposing an increase to the fuel tax of 0.4 per cent is to add salt to a wound and to add insult to injury.

The vagaries of the marketplace are something these people are prepared to battle. If anything, they should be assisted and not saddled with additional hardship. In this region, in my estimation, the additional 0.4 per cent is a hardship. You may want to note, Mr. Speaker, that there are vagaries in the vegetable market as well as vitamins. While we are extrapolating, as

we are, we should note as well that there are victims in this same market. Here the Treasurer has made a double killing, the farm operator and the consumer.

If this government is more concerned with improved relations in the balance of trade in favour of the Americans, that could be considered one positive aspect of this tax. It will certainly help to eliminate the competition for the Canadian market and at the same time eliminate what must be considered in every sense of the word a growth industry.

**9:20 p.m.**

There is only so much money in each and every one's budget: their grocery budget, their mortgage budget, their gas budget. How much does the Treasurer think the average person can stand? There is a limit, and I warn him that the people of my riding and the people of this great province are approaching that limit. The limit lies where a tax such as this one is regressive, and for those who are barely able to stay afloat financially it finally drives them to give up any further hope.

Finally, with my riding of Simcoe Centre touching on two beautiful bodies of recreational water, Georgian Bay in the Penetanguishene area to the north and Lake Simcoe in the centre, and with Bradford on the southern extremity, recreational boating is a major factor. We must realize that this increase in the tax on fuel has an effect on every business of this province in one way or another. Pleasure and leisure time are very important to the residents of this great province. Many people, both young and old, are employed in the recreational business of boating, lodges and camping. All these activities are directly affected by an increase in fuel tax.

Interjection.

**Mr. Rowe:** There are even diesel airplanes these days, I understand.

The decisions that are arrived at in this House have a far-reaching effect in this province. The Treasurer should not get the mistaken idea that I am fighting for those poor, unfortunate people who cruise the waterways in their \$200,000-plus yachts. Perhaps he has one of those; I do not.

**An hon. member:** He has a manure spreader, here and at home.

**Mr. Breagh:** He has a \$200,000 manure spreader, not a yacht.

**Mr. Rowe:** If the Treasurer has one of those, it is nice to see he can stand on a Liberal platform.

Those people can afford the increase, but scale that industry down to the level of the average

person, and one will realize it provides an income for hundreds of people in my riding. Fuel sales, repairs, storage sales and auxiliary operations such as other facets of tourism, stores and hotels are all affected by this tax.

We have a fragile economy and it should be protected. We have entrepreneurs who are trying to succeed. They should be encouraged and not faced with additional obstacles.

To the owner of the \$200,000 yacht, this tax increase is a nuisance. To the marginal tourist operator, it is an obstacle that may or may not be overcome. To the employee, usually a young or otherwise hard-to-employ person, who is laid off if his company is forced out of business, it is a hardship that borders on disaster.

With the revelation in the Legislature two weeks ago that the province now will be receiving more money than it expected as a result of changes in the federal income tax, I urge the Treasurer to withdraw this tax on fuel at this time, giving all the residents of Ontario an early Christmas present.

**Mr. Barlow:** I must say that the taxpayers of Ontario, certainly those of Cambridge and I am sure those of Brant county, are not particularly happy with the increase not only in this fuel tax we are talking about but also in the other taxes that hit the drivers of Ontario.

There are increases in several areas, eliminating the ad valorem tax, which is something the present government has opposed for a long time. The term "ad valorem" had a roll to it; it allowed them to—

**Mr. Wildman:** Like "ad valorem" and "abhorrent." They are similar.

**Mr. Barlow:** That is right; ad anything. They just liked the roll to that; so they got on it and opposed it right from the beginning. That is fine. It was certainly their prerogative to do so.

Now the Treasurer has seen fit to eliminate it. That is his prerogative, but when he wants to take it off and add a 6.5 per cent increase on to those who use diesel fuel, that hits them in the pocketbook. It hits the farmers, it hits the trucking industry, it hits all those who have switched to diesel cars to save on their fuel bills because of the more economical diesel fuel.

Add to that the increase of 12.5 per cent for the vehicle registration fee. There again, it hits everybody who drives a car to pay that extra 12.5 per cent. It is more like 15 per cent, I believe, for heavy commercial vehicles; so it hits the trucking industry.

It may not come as a surprise to members, but I am getting around to talking about the trucking

industry in my role of wearing two hats, one as Transportation and Communications critic and the other, of course, as an operator of a fleet of trucks myself.

As I say, this increase not only hits the farming community, it also hits those in the north, where they have many miles to travel between stops. They have a big concern, I am sure, in the north. I am sure we will hear from our northern members, if we have not already heard from some of them, about how they are concerned about this. I am sure it is a concern to all members who represent ridings where a large segment of the population has commercial vehicles on the road.

While we are paying all these increases, of course, also hitting that same industry, the trucking industry, is the increased corporation tax this government has proposed. Add all those taxes together and it is unfair to some segments of the economy that will be asked to pay much more than other segments of the economy. I am talking again about the trucking industry.

The fuel tax is just one of many taxes. During the past six years the diesel fuel tax has risen by 3.8 cents per litre, or 69 per cent. That just hits this one industry. The trucking industry estimates that it uses about two billion litres of fuel per year; so that is a pretty considerable contribution to the coffers of the province.

**Hon. Mr. Van Horne:** Are these last year's notes?

**Mr. Barlow:** No, these are this year's notes. They are totally up to date. As a matter of fact, many of them were taken right out of the budget, which was prepared not by me or by anybody on this side of the House; it was prepared, as I understand, on the other side of the House.

There are several other things. While this money is taken out of the economy, nothing is going in. As a matter of fact, less is going in. I mentioned to the Treasurer before that the total budget of the Ministry of Transportation and Communications for 1985-86 is actually a decrease of \$34 million from 1984-85. In 1984-85 it was increased over 1983-84, but then 1985-86 comes along and we have an actual decrease of \$34 million in the total MTC budget.

**9:30 p.m.**

While that portion of the budget is going down, more money is coming out of the motoring public in the province. The revenue from motor vehicle fuel tax is projected to increase by \$17 million this year. Under vehicle registration fees, the government anticipates another \$20 million over and above what it received last year. I understand there is a possibility that a gasoline



tax increase may not see the light of day, but if it does, on page 54 of the budget there is a projected increase of \$59 million.

Those three items, gasoline, motor fuel and vehicle registration, amount to a \$96-million increase being taken from the motoring public of Ontario while they are getting back about \$34 million less in revenues.

There is talk about transfer to local governments. The transfer for municipal roads is projected to increase by \$15 million for 1985-86.

**Hon. Mr. Bradley:** That is a great deal.

**Mr. Barlow:** That is right. However, as I say, that is only in one area, yet there is much more revenue coming in.

None of that is new money. It was all in the budget projected by the former government. As a matter of fact, the government plans to transfer a total of \$523 million to municipalities for road work. When he was minister back in February, my friend the member for Dufferin-Simcoe (Mr. McCague) told the municipalities they would get \$531.5 million. In other words, this Treasurer has seen fit to decrease what the municipalities were expecting by about \$8.5 million.

That is something on which I am sure the municipalities were counting, expecting to be able to upgrade their roads. Heaven only knows that the roads in many municipalities are well below standard. They certainly are in the regional municipality of Waterloo. We have a very real concern there. The regional council has made representations to the minister on a number of occasions to try to get some additional funding so regional roads can be brought up to a better standard and the taxpayers of Waterloo region can have them in the condition they feel they should be in.

**Mr. Haggerty:** You are supporting the bill now, are you?

**Mr. Barlow:** No, hardly. When the government hits the taxpayer the way he is being hit, I cannot support that. It is a little unfair. Maybe I would not have as much trouble supporting it if the transfers were going up by the same proportion as the expenses, but they are not.

I know the Ontario Trucking Association made a presentation to the Treasurer and asked him to assist the trucking industry in the fight to ease the two per cent federal excise tax. I think the Treasurer listened to the trucking association when it made that presentation.

I understand Bill 51 is being opposed not only by us but also by the third party. If the gasoline tax does not go forward, it will show that the government listens from time to time. I hope it

continues to do so. I hope it is going to sit down with the Legislature when we get to committee of the whole and take a serious look at what it is doing to those who are using municipal roads.

I have one or two other comments to make here. When municipalities ask for increases in the transfer payments for roads, they expect the Treasurer and the government to listen to their concerns and to respond. When they are told that they are going to get a certain figure and the Treasurer then contributes somewhat less than that in his budget, it is unfair.

It hits the municipalities. They have the real concern of trying to balance budgets, and they count very heavily on the transfer payments they receive from the provincial and federal governments. The road tax is one of the largest contributory grants that come forward. The only ones larger than that would be the grants to the school boards.

**Mr. McClellan:** The member has lost his place.

**Mr. Foulds:** He is not supposed to read in the House, is he?

**Mr. Barlow:** I am just trying to refresh my memory with some of the notes I have.

**Hon. Mr. Van Horne:** The member is trying to make out his notes.

**Mr. Barlow:** They were not in very good order here. I was not quite as prepared as I thought I was.

**Mr. McClellan:** The member should not let the other members pressure him.

**Mr. Barlow:** I am not. Actually, they are helping to fill in the time for me. On this page—what have I got written here? I have something down here about—

**Mr. McClellan:** This is all being televised. Does the member realize that?

**Mr. Barlow:** Is that right? And I didn't shower.

The diesel fuel tax going up by almost 6.5 per cent, which is an increase of 0.6 per cent per litre, is particularly hard on—I mentioned this before and I want to reiterate it—the trucking industry. I and many other members of the Legislature have met with organizations such as the Ontario Trucking Association and the Ontario Good Roads Association. These people are all seriously concerned about the increase in taxes.

When the government hits the pocketbook of one industry alone, the trucking industry, we have to be very concerned. I hope the Treasurer will keep his options open when it comes to the clause-by-clause stage of this bill.



**Mr. McClellan:** What is this? A moment of silence for the Tory speak-a-thon?

**Mr. Barlow:** That is right, yes. I have another page here. I wonder what I have not covered. Oh, yes; here it is.

Let me point this out. Here is one I have not used yet. It is estimated that an average five-axle semi-tractor-trailer will cover about 160,000 kilometres a year. The tax increase will produce additional revenue of about \$2,000 from one trucker for the provincial coffers. That is a big expense for that one truck, and that is only on the fuel tax.

Over and above that, we have the increase in the licence fee. There is more revenue: the 40 per cent increase in drivers' licences. I realize the 40 per cent increase in the cost of drivers' licences is going to a program that is extremely worth while, something that has been on the books for many years: the photo of each one of us on our driver's licence.

I understand there is confusion out there with the licence issuers. I talked to one licence issuer and he—

**The Deputy Speaker:** I would ask the member to restrict his comments to the bill at hand.

9:40 p.m.

**Mr. Barlow:** That is right. The fuel tax is only one area.

The Deputy Speaker is from a rural community, the adjacent riding to mine, along with the Treasurer. I know the farmers of this area, as well as being concerned about the increase in fuel tax, are also concerned about the increase in the cost of their drivers' licences.

The fuel tax is only one area. When it comes to taking the photographs, the licence issuers are concerned about this. They are concerned about the fuel tax as well, but they are also concerned about the confusion in issuing these three-year licences for the drivers of the province. I understand we are renting the equipment from Polaroid, and that is another story. I guess we have a bit of a lawsuit on our hands there, but I am sure the chief law enforcement officer of the crown will look after that problem.

**Mr. Breagh:** Even you, Mr. Speaker, should recognize this is a little off this bill.

**Mr. Barlow:** No. It ties in with the fuel tax.

**Mr. Breagh:** Something should be tied in, but it is not this debate.

**Mr. Barlow:** That is right. I am saying the driving public of the province, as well as paying additional fuel tax, is paying additional money

for driving licences. They are paying more for all these various road-related taxes.

I would simply like to—

**An hon. member:** Talk out the clock.

**Mr. Barlow:** Talk out the clock is right. If I had some more notes here, I would read them. Perhaps I should start reading through the total budget here and see what else there is that ties in with the fuel tax increase in Bill 50. I do not know whether I really can elaborate on that much more unless I happen to see something else in the notes I have here. Just bear with me a moment. These three pages all deal with the fuel tax. I want to see what I have not covered.

To go back to the trucking industry—whose slogan is, "If you got it, a truck brought it"—if a truck does bring it, the truckers have to pay more for the fuel tax increase along with the licences for their vehicles and other forms of taxation. Also, one is going to have to pay more to get what the truck brought. One is going to have to pay more because the trucking industry, like any other industry in this day and age, has to pass on these increased expenses. They are passed on to you, Mr. Speaker, and to the Treasurer.

The Treasurer used to put gas in his own car, but now he is one of the fortunate ministers who has the opportunity to have somebody drive him from point A to point B. We, the taxpayers, including himself, contribute now towards his transportation back and forth across the province.

The previous minister had a diesel car at one time and he also had a propane car. I know we are not talking about propane, and I would not want to stray from the subject at hand, the fuel tax increase, but I wanted to point that out to you, Mr. Speaker, in case you were not aware of that.

I am saying to the Treasurer that for the tobacco farmers of his area, for those who market apples or any other fruit product, they are shipped by truck and it is going to cost more to get these products to the market. The poor consumers are going to be hit both ways. They are going to be hit with an increase in taxation on their own transportation, but also they are going to have to contribute towards the transportation of whatever they buy, whether it is a basket of apples, a new refrigerator, a new desk for their den or a television.

All these things are going to be increased simply because the Treasurer, in his wisdom, chose to increase the fuel tax to those of us who drive vehicles that use diesel fuel for propelling our vehicles.

There is a recommendation here I would like to relate to the Treasurer. The recommendation says, "The Ontario Trucking Association requests consideration by the provincial government of a reduction in the level of provincial fuel tax." That is a very simple request, dated October 2. The budget came in later than that.

Obviously, this recommendation arrived in advance of the budget, but I guess the Treasurer did not finish reading this submission. It is actually the submission of the association to the Treasurer on October 3. That was one point the Treasurer unfortunately missed out on. I am sure he can be forgiven, as long as he takes the opportunity now to back off and cut that increase. He can remove the ad valorem if he wants, if he feels that is the right thing to do.

I happen to think that may not be the right thing to do. We have heard before that he is eliminating the ad valorem tax at a time when there is a reduction in the price of fuel, of gasoline products, of petroleum products on the world market. A reduction is in sight. That means the ad valorem is going to bring the taxation down, not only for the trucking industry but for all the motoring public in the province.

I hope I have been able to convince the Treasurer that this one budgetary item is a little bit out of line. If he would like to have some further dialogue on it, I would be glad to discuss it with him privately, or I could carry on for a little while and reiterate some of the points I have already covered. I do not think you want me to do that, do you, Mr. Speaker?

**The Deputy Speaker:** That is correct.

**Mr. Barlow:** I did not think you would. I will leave it with the Treasurer. If he would consider holding the price of the cost of diesel fuel that he included in Bill 50 at the level we are at now, I am sure it would make the motoring public happy and people would say, "That Treasurer ain't so bad after all."

**The Deputy Speaker:** The member for Brantford.

**Hon. Mr. Nixon:** Read the same speech.

**Mr. Gillies:** I thought I heard the Treasurer yell "dispenze."

What an appalling day. I have been appalled all day. I was appalled earlier by this government's handling of the race relations commissioner of this province. I was appalled later in the afternoon by its handling, or nonhandling, of the Wellington teachers' strike. It is now 9:50 p.m. and I am still appalled. What an appalling

situation. What an appalling government. It is just appalling.

In joining this debate on Bill 50, I have to agree with my colleague the member for Cambridge (Mr. Barlow) in his very articulate and incisive examination of this bill. As a member of this assembly I will not be supporting Bill 50. I fail to see in which direction this government is moving in what is very clearly not only a counterproductive but a very regressive tax.

We live in a vast province in a vast country. More so than most places on this globe, our country is dependent on the ease of transportation of our people and of our goods. Our working people have to travel as much as those in the upper-income brackets. Yet we see this government moving in a direction which is very clearly regressive and discriminates against people of lower income.

**9:50 p.m.**

In the course of this debate, I intend to talk about the farmers, about the people who depend on public transit, about the trucking operators and about the people who try to move their goods.

Where is everybody going?

**Mr. Breauch:** There seems to be a consensus developing.

**Mr. Gillies:** I intend to talk about all the ordinary people in Ontario who are going to be adversely affected by the move the Treasurer is making through Bill 50, a bill I hope our caucus will be able to convince members of this assembly to send to a well-deserved defeat. This tax represents about a 6.6 per cent increase across the board. Again I would remind members, it is a regressive tax. It hurts those of modest incomes as much as it hurts those of greater incomes.

It hurts the farmers. The Treasurer is a very fine farmer, well respected in Brant county. The Treasurer, more than any member of this assembly, would know how the farmers depend on diesel fuel for fuelling their combines and their tractors. He knows an increase in the diesel fuel cost will lead to increased food costs for our citizens and how it is yet another burden on the poor, beleaguered farmer.

**Hon. Mr. Wrye:** The member is as wrong at 9:50 p.m. as he was at 2:50 p.m.

**Mr. Gillies:** I am sorry. The Minister of Labour is making, I am sure, a well-intentioned contribution to this debate, but I failed to hear it.

Coming from Brant county, the Treasurer should know a number of things about the effect



of this tax. First of all, as I point out again, it is regressive. It is in no way a progressive tax and it hurts the lower-income person more.

Second, at a time when there are windows of opportunity for lower fuel costs in the world—we see gas prices dropping and we see the opportunity for lower diesel fuel costs—he is moving towards a pegged tax increase that will be less beneficial and will have a more adverse effect on the consumer than the dreaded ad valorem tax would have had.

I remember many debates in this House during the last five years in which I have heard the attacks of the front bench, the articulate spokesmen for what is now the governing party. I remember the former member for Kitchener, James Breithaupt, Pat Reid and the Treasurer himself.

**Mr. McClellan:** Where are they now?

**Mr. Gillies:** Where are they now indeed?

I remember their incisive attacks against the ad valorem tax at a time when the trend in both fuel pricing and inflation definitely pointed towards the negative effects of an ad valorem tax.

That has changed. Both in Bill 50 and in the gasoline tax, which we will be debating in this House at a later date, we see the government pegging these taxes not at the lower end of the scale, where there might be some benefit for the consumer, where there might be a break for the working guy, but we see these taxes being pegged at the higher end of the scale. We see the taxpayer, the consumer, getting the worst possible deal. There is no benefit to the consumer in this tax increase when one considers the possibility of lower fuel taxes. The Treasurer is determined to take the greatest possible buck he can out of these tax increases, and I find it most unfortunate.

**Mr. Barlow:** Appalling.

**Mr. Gillies:** My colleague the member for Cambridge calls it appalling and he is always right.

**Mr. Dean:** Well, he is nearly always right.

**Mr. Gillies:** He is nearly always right.

On another count I find fault with the Treasurer. Given his roots in Brant county and knowing the history of our community, I again find fault with him raising diesel fuel taxes at a time when the major industry in our county is having trouble moving its products. Of course, I am referring to the farm combine made by our good United Auto Workers at Massey-Ferguson Industries Ltd. in Brant county, 1,100 of whom are now laid off because of the market problems

that this company is having, the diminished market and the diminished ability of farmers to buy new combines.

**Mr. Mackenzie:** They are not getting overtime, are they?

**Mr. Gillies:** I am getting another helpful intervention from my friend the member for Hamilton East.

These combines and tractors manufactured by the farm equipment companies depend on diesel fuel. I would have thought the Treasurer, more than any other minister of the crown, would have sympathy for the plight of those workers and the ability of those companies to sell their products.

We have had questions in this House in the last few weeks about the now defunct White Farm Equipment, the layoffs at Massey-Ferguson and the situation in which International Harvester finds itself in Chatham, but do we find a sympathetic ear in this government, any response to taxation policy that will help these companies sell their products in the Ontario market?

Interjections.

**Mr. Gillies:** I heard a chorus of noes from my colleagues and the answer certainly is no.

**An hon. member:** I hear the member is appalled tonight.

**Mr. Gillies:** I am. This government seems to be determined to make the situation more difficult for these companies and more difficult for the farmers to afford to buy these products. At a time when it preaches restraint, I find it passing strange it would increase such a regressive tax.

We are just a little puzzled on this side of the floor because we hear the Treasurer preach his restraint policies and his doctrine of lower government expenditures and greater breaks for the little guy. It occurs to us it is passing strange at a time when they are increasing the deficit of the province by \$500 million and going for a \$700-million tax grab. We find it all passing strange, especially when one contrasts it with the 1984 budget that was introduced by the then Treasurer, the man who will be assuming the leadership of our party next Monday.

Our friends opposite are not stupid. They are very observant. They have watched the development of fiscal and taxation policy in Ontario over the last number of years. Why could they not learn from a 1984 budget which introduced no tax increases and lowered the deficit by \$900 million? With their professions of concern about government expenditures, why could they not come up with a budget that is remotely akin to our

budget, which brought in no tax increases and lowered the deficit by \$900 million?

I am appalled by this. I find it more than passing strange and I am suspicious. I want to tie this back to the 6.6 per cent increase in diesel fuel taxes, which is what we are debating, because on this side of the floor we are a little suspicious about where these additional funds are going. They are going for a \$700-million tax increase, an increase in the deficit of \$500 million; yet we see very few tangible benefits to the taxpaying population as a result of a total fiscal grab of \$1.2 billion.

Excuse us if we are a little suspicious about whether our friends opposite are building up a bit of a war chest.

**Mr. Andrewes:** For what?

**Mr. Gillies:** My colleague the member for Lincoln asked for what? Things are so tough on this side of the floor the member for Lincoln has had to take a night job as a waiter. We believe there is a war chest being built up by our friends opposite for an event in the spring or fall of next year, which may involve what the former leader of our party used to call a consultation with the public.

**The Deputy Speaker:** Will the member please restrict himself to the Fuel Tax Act?

10 p.m.

**Mr. Gillies:** I am tying this back to Bill 50 because that is what aggravates this situation more than any other. We think the party opposite, now entrenched in the government benches, running government by press release in a way we have never seen in this province, is about to embark on an exercise in the coming year of buying the people's support with their own money. It is going to do it with the \$1.2 billion it is taking out of their pockets now. Where does that leave us? It leaves us absolutely appalled. In my five years in this assembly, I have never seen the like of it and I hope I never do again.

**Mr. Breaugh:** So do we.

**Mr. Gillies:** For a moment, let us leave the farmers and the auto workers in Brant county who are being hurt by the insensitive fuel tax increase of the Treasurer (Mr. Nixon). Let us move along to the people in our cities who use urban transit. Most of our buses in our cities, be it Toronto, Brantford, Cambridge, Parry Sound—

**Mr. Sheppard:** Or Northumberland.

**Mr. Gillies:** Or Northumberland, Lincoln, Oshawa, Burlington. What kind of fuel do those municipal transit lines use?

**Some hon. members:** Diesel.

**Mr. Gillies:** Diesel fuel. The member for Cornwall (Mr. Guindon) knows it to be diesel fuel, and he is quite right. In our communities, it is often the lower income people who cannot afford automobiles who use public transit. I ask my friends, this very learned group, when the fuel tax goes up and the extra costs are passed along to these municipal transit systems, who is going to end up picking up that extra cost?

Interjections.

**Mr. Gillies:** I get a garble of responses, but we all know the correct answer, it is the ordinary working people who use our transit systems. Is this the government of the little guy? Is this the government of the ordinary person? Is this the government of the working man who will be paying this extra fuel tax through his bus tickets? I am appalled.

**Mr. Wildman:** There are no free buses.

**Mr. Gillies:** The member for Algoma (Mr. Wildman) is absolutely excited; he is agreeing with me so heartily. He knows the ordinary guy buying a bus ticket is going to pay through the teeth for this insensitive tax increase. He speaks up for the little guy at every opportunity.

**Mr. Andrewes:** There are no buses in Algoma.

**Mr. Gillies:** There should be. When the time comes, the member for Algoma is going to vote with this party against this insensitive fuel tax increase. I know he is, and I applaud him for it.

**Mr. Wildman:** I am not sure this is a point of privilege, but when they build a subway line from Wawa to Sault Ste. Marie, then I might agree with the member for Brantford.

**The Deputy Speaker:** That is not a proper point of privilege.

**Mr. Gillies:** I am glad the member for Algoma raised the subject of that subway line. I was about to get to it.

We have a government—

**Hon. Mr. Van Horne:** We were threatened with this before.

**Mr. Gillies:** No. Some day the Minister without Portfolio will be quoting from this speech.

This government came to power with the help of the third party with an agenda which spoke to the desires and aspirations of the working people of this province. This party engineered its way into power, into the government of this province, with the support of the New Democratic Party by



speaking to an agenda for working people, for low-income people, for those in need of help.

Those are the very people who are going to pay through the teeth because of Bill 50. Those are the very people who are going to bear a disproportionate burden because of this tax increase. We in this party are not going to stand for it.

I want to return to a point made so eloquently by my friend the member for Cambridge. He is experienced and as knowledgeable about the transportation industry in this province as any member of this House. He knows the trucking industry. He knows the nuts and bolts of moving our goods to and fro between our cities and towns and our consumers.

**Hon. Mr. Sweeney:** Did the member check his colleague's last election returns? The truckers did not support him this time.

**Mr. Gillies:** I said he knew the truckers better than anybody.

**Hon. Mr. Sweeney:** The truckers did not support the member for Cambridge this time.

**Mr. Gillies:** Mr. Speaker, please restrain the minister. He is making this very difficult.

The member for Cambridge has pointed out how people everywhere in this province depend more on the trucking industry for the delivery of food and other goods than on any other form of transportation. We are talking about ordinary people; we are not talking about fat cats or corporations. We are talking about ordinary people who depend on trucking to live.

Who takes it in the teeth again because of Bill 50? Who takes it because this government has decided to peg the fuel tax, not at a reasonable level, not at the lower end of the scale, but at the higher end of the scale? Who is going to take it in the teeth? The ordinary people, because as the cost of these goods goes up that will be a reflection of the added fuel cost, which is probably one of the major contributors towards the cost of transportation.

I do not understand how this government could bring in something so myopic and so insensitive. In a province as vast as ours, in a province that has a longer network of roads than any other jurisdiction in North America, I do not understand how this government could feel it was fair and equitable to take such a tax grab from the very people who depend on our vital transportation links.

There might be an excuse for this if the additional funds made available to the consolidated revenue fund because of this tax grab found their way back into improvements of the

transportation links within this province. I invite you, Mr. Speaker, to look at our colleague's budget. I invite you to look at the 1985 Liberal budget and tell me if the additional funds from this tax grab find their way into the Ministry of Transportation and Communications.

Are we going to find additional funds to improve our roads, to improve highway construction, to ease the very transportation of goods about which our party is concerned? I will ask my colleagues again, "Do we see an additional commitment in this budget to the Ministry of Transportation and Communications?"

**Some hon. members:** No.

**Mr. Gillies:** What do we see? We see the budget of this very important ministry cut by the ministry that is taking the tax grab out of the very people who use that system. We see it cut so a four-lane restricted access highway from Brantford to Woodstock cannot be finished on the original schedule; cut so people travelling the highways in my area have to face an unsafe situation on Highway 2, the most dangerous stretch of two-lane highway in Ontario. No increases, no improvements; cuts, cuts, cuts.

That is what we get from this government in return for the increase in fuel tax. So we will try again. Do we see improvements to our health care system? Do we see an increased commitment in terms of—

**The Deputy Speaker:** No. The highways had some connection with fuel taxes; the health care system does not.

**Mr. Gillies:** I am so glad you brought that up, Mr. Speaker, because I want to go right back to that very point. It is a very important point.

The money raised by Bill 50, the fuel tax increase, might be justified if it were going into improvements, say, in our health care system, to improve our hospitals, to improve our physical plant in our health care system, to improve the benefits under the Ontario health insurance plan.

Do we see that as a result of Bill 50? Do we see an increased commitment by this government to our health care system? No, again. We see reductions in physical plant; we see reductions in overall commitment.

**10:10 p.m.**

**The Deputy Speaker:** I would again mention to the member that it is not permissible to carry on in this way and to connect everything in such a fashion. Would you restrict yourself to the Fuel Tax Amendment Act?

**Mr. Gillies:** I certainly will, Mr. Speaker, and I want you to know how well taken your caution

is, because nobody could inhabit that chair and have the respect and the immediate attention of this member more than its current occupant.

I have one final point in speaking to the fuel tax.

**Mr. Breagh:** Is the member for it or against it?

**Mr. Gillies:** I am absolutely appalled about it.

The second-largest industry in this province, and some forecasters say one day the largest industry in this province, is tourism. We should be offering every incentive to attract people to come into our vast and beautiful province and to travel its highways, see our various attractions and see everything that Ontario has to offer in all its diversity, yet every step of the way that effort is going to be frustrated by Bill 50.

Our visitors are going to be faced with higher transit costs. Our visitors from Europe, which for the most part has very reasonable municipal transit costs, are going to be appalled when they see the cost of a bus ticket as a result of Bill 50. Our visitors from the United States are going to be disappointed and frustrated in their efforts to travel as a result of this.

**An hon. member:** Think of our visitors from the press gallery. They are totally disappointed. They are thoroughly appalled.

**Mr. Gillies:** The member for Scarborough West is shouting his agreement. He is indeed as appalled as I am by this fuel tax increase.

**An hon. member:** I cannot be shouting. I am out of my seat; I am not even here.

**Mr. Gillies:** What was that?

**An hon. member:** I do not know who this is.

**Mr. Gillies:** I am with him.

One thing I would like to touch upon, of course, is the trend in the motive fuels of our automobiles. There is sufficient evidence that we should in some fashion be trying to get a larger percentage of our automobiles switched over to diesel fuel as opposed to gasoline. It leads to fewer hydrocarbon pollutants than does the burning of gasoline.

Do we see a government that encourages conversion to diesel fuel? Do we see a government that encourages the purchase of diesel automobiles? Do we, through this bill, see a government that encourages lower levels of automobile pollutants in our province? No, quite the opposite. We see an increase in diesel tax that is going to negate and frustrate the efforts of many of our automobile drivers to switch over to this lower-pollutant fuel.

On every side of the issue we on this side of the House, in this party, are absolutely stymied.

**Hon. Mr. Bradley:** The members over there have been on every side of the issue.

**Mr. Gillies:** The Minister of the Environment is as appalled as I am, and he is just voicing his concern. He is absolutely appalled that this government is encouraging air pollution through this tax. The transportation industry is as appalled as I am about the move the government is taking in this direction. The Minister of Tourism and Recreation (Mr. Eakins), if he were here, would be as appalled as we are. I do not see any single front on which the Treasurer of this province should be able to defend this indefensible tax.

I would recommend to him, I would suggest to him, I would urge him to rescind Bill 50. Do not bring in this 6.6 per cent tax increase on the working people, the working men and women who depend on diesel fuel, the farmers, the users of municipal transit, the trucking industry. Rescind this tax and return some measure of fairness to our handling of diesel fuel.

**Mr. Eves:** I would like to take a somewhat different tack in this debate. I have heard some very good arguments made by the member for Cambridge (Mr. Barlow) and the member for Brantford (Mr. Gillies).

First of all, we are talking about the removal of the ad valorem tax, as indeed we are in Bill 51, An Act to amend the Gasoline Tax Act. We have a government that is supposedly very committed to removing ad valorem taxes because it regards them as inequitable. This is the same government that, while world prices for fuel and oil are going down, is raising taxes and professing to do the public of Ontario a great favour. They are raising this tax in Bill 50 by 6.6 per cent, which is far greater than the rate of inflation this year or in recent years. They are milking the public while professing to treat them more equitably.

As my colleague the member for Brantford has already pointed out, the average user of fuel is going to pay more at the pump at a time when the world price is going down. If the ad valorem tax were left alone, the tax would be going down along with the price. Our friends across the way in the government do not seem to understand that very simple fact of life today.

This is the government that in the same budget sought to increase provincial income tax by piggybacking it as it is on the federal income tax. If that is not an ad valorem tax, I do not know what is. The Treasurer goes around the province professing that he is increasing provincial in-



come tax by two per cent when he knows very well that, piggybacked on to the federal tax, he is actually ending up with a four per cent increase in percentage rms to the taxpayers of Ontario.

I do not know how the people in government, and in particular the Treasurer, can profess to be dealing equitably with the taxpayers in these two types of taxation. The treatment is totally inconsistent. There is also no equity.

It has been said the Treasurer has leaked some rumours and intentions about what he professes to do with Bill 51, the Gasoline Tax Amendment Act. If, as is rumoured in the media, he is willing and prepared to limit or eliminate altogether the proposed tax increase in Bill 51, we on this side of the House are entitled to know why he is not willing to do the same with Bill 50. They are very similar except different types of fuels are being taxed. Surely what is good for the Gasoline Tax Amendment Act is good for the Fuel Tax Amendment Act.

I presume the only reason he is going to do something about Bill 51 is that his colleagues down here to my extreme left are insisting that he do something about it but are not insisting that he do anything about Bill 50. There is absolutely no consistency whatsoever in the Treasurer's treatment of these two taxes, which are very similar. As I have said, they are just on different types of fuel.

If we look at where the revenue from the fuel tax goes, my colleagues have already pointed out the disadvantage this results in to the trucking industry. We all know that every consumer pays one way or another for the increased cost of transportation. If this fuel tax increase is allowed to go through, it will ultimately affect transportation rates in Ontario, and that in turn will ultimately affect the price of any product or produce that is shipped by truck to its destination. The taxpayers are again going to pay for this increase.

Surely, as my friend the member for Brantford has already pointed out, the increases in fuel tax and gasoline tax should go to improve the highway system in Ontario. We do not see any evidence in this budget, in which all these bills were introduced, of an increase in the budget of the Ministry of Transportation and Communications or a fulfilment of the promises made during the May 2 election campaign to vastly improve the highway network across Ontario.

Particularly in my own riding, I can rhyme off four or five highways that were supposed to be improved by the end of 1985 by the current government, as pledged by their Liberal candi-

date in the last provincial election campaign. They have not even bothered to call tenders or do any engineering on these measures that were promised by their candidate. Highway 654 from Highway 11 into Nipissing was supposed to be done; it has not even been called yet.

**10:20 p.m.**

**The Deputy Speaker:** Might I bring the member to order to get back to the Fuel Tax Amendment Act directly?

**Mr. Eves:** With all due respect, I think these are all related. Surely the revenue from fuel tax and gasoline tax should be going to improve the highway system in Ontario. What we have here is a government that seems intent on reaping the revenue and stripping the Ontario taxpayers of this revenue, but it is not prepared to do anything for the taxpayers in return or for the users of the provincial highway system.

Our friends in the third party are very interested in whether the gasoline tax is going to cause undue hardship to residents of northern Ontario in particular. With respect to residents of northern Ontario, surely our friends in the third party should have these same concerns for this increase in the Fuel Tax Amendment Act. We are talking about a different fuel, but surely those who live in northern Ontario should know better than anybody else the large distances that are involved to ship goods by truck or rail in northern Ontario. Surely we all know that as a result of this increase in the Fuel Tax Amendment Act, northerners again are going to be hit the hardest.

If our friends in the New Democratic Party are going to stand for their principles on gasoline tax, surely they should be standing for their principles on the Fuel Tax Amendment Act as well. There is absolutely no rationale for two totally different treatments or approaches by the Treasurer, other than the fact that the third party has let it be known that it will not support the government with respect to Bill 51.

I want to deal with another issue in this whole bill which I do not think has been dealt with yet, and that is the search and seizure provisions. In the Fuel Tax Amendment Act, we see that the current government is planning on repealing subsection 18(3) of the act. Just so there can be absolutely no doubt in any member's mind exactly what is being done, I want to bring the members of the Legislature up to date on exactly what provisions are being done away with. Subsection 18(3) of the Fuel Tax Act, 1981, says:

"The minister may, for any purpose related to the administration or enforcement of this act or

the regulations, with the approval of a judge of the Supreme Court, which approval the judge is hereby empowered to give upon *ex parte* application, authorize in writing any officer of the Ministry of Revenue, together with such members of the Ontario Provincial Police force or other police officers as he calls upon to assist him and such other persons as are named therein to enter and search, if necessary by force, any building, receptacle or place, or any motor vehicle powered by fuel for documents, books, records, papers or things that may afford evidence as to the contravention of any provision of this act or the regulations and to seize and take away any such documents, books, records, papers or things and retain them until they are produced in any court proceedings."

**The Deputy Speaker:** May I remind the member that it is out of order to read verbatim from any document.

**Mr. Eves:** Mr. Speaker, are you suggesting that in this Legislature, when we are talking about acts of the Legislature, we cannot read the sections of the act and debate the particular sections and the wording therein?

**The Deputy Speaker:** Certainly you can read and refer to sections, but it is out of order to read the entire act or—

**Mr. Eves:** I can assure you I have no intention of reading the entire act, only the relevant sections that deal with search and seizure provisions, which I think are very important measures this government is purporting to take.

I hope the Minister of Revenue (Mr. Nixon) has discussed these very important changes in the search and seizure provisions with the Attorney General (Mr. Scott), because I would find it very interesting indeed if the Attorney General, being the learned man of the law that he is, would have agreed to these changes being made in the Fuel Tax Act, 1981, particularly the repeal of subsection 18(3).

What the government plans to replace it with are the relevant sections of the Provincial Offences Act dealing with search warrants. While I do not intend to read the entire Provincial Offences Act—I would never profess or propose to do that—I think it is very important to read the relevant provisions with respect to search and seizure that are going to replace subsection 18(3) so that members can compare the two sets of provisions and decide for themselves which is more equitable, which leads more to a police state, if you will, and which does not.

Perhaps we can start with section 142. Subsection 142(1) says, "Where a justice is

satisfied"—I think that is a very important distinction, because the previous act referred to a judge of the Supreme Court; his approval was needed—granted, *ex parte*, but at least the minister had to go through the procedure of applying to a judge of the Supreme Court of Ontario.

We now have this being replaced by the Provincial Offences Act where a justice, as defined by section 1 of the Provincial Offences Act, refers to a provincial court judge or to a mere justice of the peace. With all due respect to justices of the peace, they are not as learned in the law as Supreme Court justices are.

We now have, therefore, the government professing to make the search and seizure provisions, in its words, "more stringent" when in fact it is taking them from a Supreme Court judge and giving them to a mere justice of the peace.

I will continue on with subsection 142(1). It says the other party does not have to be there during these proceedings. I want to make that very important distinction, because it is not accomplishing what it professes to set out to accomplish in the first place. It says:

"Where a justice is satisfied by information upon oath that there is reasonable ground to believe that there is in any building, receptacle or place,

"(a) anything upon or in respect of which an offence has been or is suspected to have been committed; or

"(b) anything that bears reasonable ground to believe will afford evidence as to the commission of an offence,

"he may at any time issue a warrant in the prescribed form under his hand authorizing a police officer or person named therein to search such building, receptacle or place for any such thing, and to seize and carry it before the justice issuing the warrant or another justice in a county or district in which the provincial offences court having jurisdiction in respect of the offence is situated to be dealt with by him according to law.

"(2) Every search warrant shall name a date upon which it expires, which date shall not be later than 15 days after its issue.

"(3) Every search warrant shall be executed between 6 a.m. and 9 p.m. standard time, unless the justice by warrant otherwise authorizes."

I do not think the Treasurer understands what he is doing by repealing subsection 18(3) of the act. If he thinks he is improving the search and seizure provisions of the act and giving the public



a break, we, in our learned opinion on this side of the House, do not think he is doing that at all.

Before, at least, one had to appear before a judge of the Supreme Court of Ontario and get a Supreme Court of Ontario justice's permission to go ahead and search and seize for the Minister of Revenue. Now what we have is a replacement of that section where one can go upon a note taken by somebody, I presume in the Ministry of Revenue, to a justice of the peace who is not as learned or well trained in the law as a Supreme Court judge is, and produce one's evidence in a written affidavit or upon oath before him and get a search warrant to enter the premises and search and seize anything one needs in carrying out his duties, supposedly, under the Fuel Tax Act.

The Treasurer is making a most unconscionable amendment. I strongly suggest and urge him, as I did earlier, to discuss the matter in some great detail with the Attorney General before he proceeds with section 5 of this bill. From what I can read, it does not accomplish the motives and goals he says he intends to accomplish by passing this amendment and changing the legislation.

Furthermore, when we go on and look at section 143 of the Provincial Offences Act, which deals with the retention of things that are seized, we see it is even more elaborate and specific in the Provincial Offences Act than it was in the previous Fuel Tax Act. Section 143 goes on to say:

"(1) Where any thing is seized and brought before a justice, he shall by order, (a) detain it or direct it to be detained in the care of a person named in the order; or (b) direct it to be returned, and the justice may in the order authorize the examination, testing, inspection or reproduction of the thing seized upon such conditions as are reasonably necessary and directed in the order, and may make any other provision as in the opinion of the justice is necessary for its preservation."

Mr. Speaker, as you can readily see, the Minister of Revenue is not accomplishing what he professes to accomplish under section 5 of the act.

On motion by Mr. Eves, the debate was adjourned.

The House adjourned at 10:30 p.m.

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**Tuesday, November 19, 1985**

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Ontario

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**First Session, 33rd Parliament**

Thursday, November 21, 1985

Afternoon Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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# LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday, November 21, 1985

The House met at 2 p.m.

Prayers.

## PORTRAIT OF FORMER SPEAKER

**Mr. Speaker:** Before beginning the business of the House this afternoon, may I remind all honourable members of the unveiling of the portrait of the former Speaker, John Turner, which will take place just outside the door to the chamber when the House rises at 6 p.m. today.

It has been the custom in the past to have the proceedings recorded by Hansard. I would like to ask the permission of the House to include that copy of Hansard as an appendix to the Hansard for November 21. Is it agreeable?

Agreed to.

[See appendix, page 1698.]

## LEADER OF THE OPPOSITION

**Mr. Harris:** On a point of privilege, Mr. Speaker: It is a point of great privilege and honour for me to rise on behalf of our caucus on this occasion to attempt to express our respect and our affection for the leader of our party.

It is impossible for me to conceal the emotion I feel on this occasion. I need not remind anyone in this House that the political events of the past year have been tumultuous for our party. They have challenged each and every one of us in the caucus. Anyone without the courage, the faith and the conviction of Frank Stuart Miller would have buckled under the pressure that our leader faced during these times.

As House leader, I was especially privileged to witness the way our leader conducted himself with dignity and with concern only for the welfare of others and not for himself. Even in the most difficult moments he always remained loyal to his principles, his colleagues and his staff. Never did he forget to be kind and thoughtful of the feelings of others. Even his well-known and, some would say, distinctive sense of humour remained intact at most times.

I will not presume to predict how the historians will record this particular phase in the political history of Ontario, but those of us who have been privileged to serve with the member for Muskoka (Mr. F. S. Miller) have rubbed shoulders with

one of the kindest, most able and most committed public servants ever to sit in this assembly.

We have joked on many occasions about his Scottish heritage and his frugality, and it is all true. But we all know that when it comes to devotion and commitment to the people of Ontario, none has been more willing to give. The member for Muskoka has been our leader and will continue to be our friend. We are immensely proud of him on both counts.

I believe he has set an example for all the members of this House and for those who will follow. He has reminded us that devotion to principles, love of family and respect of colleagues matter far more than any wins or losses of a partisan nature. He has made us realize that the toughest of partisan battles on the hustings or in this House cannot diminish the stature of a human being as truly outstanding as the member for Muskoka. It is a great measure of the man that in the rough and tumble business of partisan politics he leaves with even more respect and with many more friends than when he began.

He is stepping aside as our leader, but he remains our colleague and friend. We are thankful for his leadership and for the standards he set for all of us, and we look forward to his continued counsel and support. We are confident he will continue to serve the province and her people in whatever role he next assumes.

**Hon. Mr. Peterson:** Members will recall that on Monday last some of us in this House made some remarks about the member for Muskoka, gave our congratulations to the new leader of the Progressive Conservative Party and paid tribute to two colleagues who ran in that leadership convention on the weekend. But this is a historic day because I understand it is his last day in the House officially as the Leader of the Opposition. Therefore, I do not feel I am being excessive if I repeat some of the things I said on Monday and, indeed, add to them.

I said then that if one took a vote in this House as to the most respected, best-liked member of all parties, my educated guess would be that the member for Muskoka would win that award. As his adversary, both as Leader of the Opposition and as Premier, I have found him completely honourable at all times. I can say frankly that

sometimes one sees a personal venom intrude into political discussions. That has never been the case with this particular leader. I have for him today the same affection I had for him six months ago and 10 years ago, because that is the kind of imprint he makes on everyone in political life and on all his colleagues who have served with him.

It is a historic day also because members will be aware that this morning we signed a twinning agreement with Jiangsu province in China, a first for this province. I understand that in the long term it is going to establish cultural, educational and trading relationships with that great province in the People's Republic of China.

It is interesting to note that a major impetus for that new initiative was from the leader of the Progressive Conservative Party when he was the minister. It was something that he held as a personal ambition to reach out and take this province out beyond its own borders, and he is remembered in China as well as here for his leadership.

**2:10 p.m.**

In that regard, because we have been invited to go back to Jiangsu when a new technological centre is opened, probably some time next fall, I would like to invite the member for Muskoka to join the official delegation because of his very strong interest and knowledge and because of the respect in which he is held.

I think he will continue to serve this province in many capacities. I hope he will remain a member of this House for some considerable length of time, and I hope that all the people of this province can continue to take advantage of his great talent and his great dedication to public service.

**Mr. Rae:** I want to start by congratulating the Premier (Mr. Peterson) for saying roughly the same thing on Thursday as he said on Monday. We are not often used to hearing that from this side and we appreciate that.

I do not know whether "I want to get you on a slow boat to China" is going to become the new relationship between these two parties, but as the author of "Frank, they've turned your plaid suit blue," I do want to say I am delighted to see the leader of the official opposition back in his true colours. We are only sorry it took so long for this to emerge.

Many people have spoken of the personal kindness of the leader of the Conservative Party. I want to mention just one thing. When he was in the middle of having to make a very difficult decision, on the very day he had decided to announce that decision, the leader of the

Conservative Party attended the funeral of my parents-in-law.

I want him to know that is an example of a generosity of spirit, a personal kindness, that both my wife and I deeply appreciated, as I wrote him that very day. That is an indication of the kind of person the member for Muskoka is and of the sort of personal decency that has always transcended whatever political differences we may have had.

He has taught me a great deal in that regard, and I want to take this occasion to publicly say that we in this party respect him for everything he has tried to do in public life. We have disagreed with him on many occasions. One could go back through several ministries, several portfolios and several debates. The leaders of our party and members of our party have consistently disagreed with and criticized many of the positions he has taken. We have fought battles on the hustings, and he and I were opponents in the last election.

Despite our political differences, I have always retained a great deal of personal respect and affection for the member for Muskoka. To him and his wife, Ann, we extend our very best.

**Mr. F. S. Miller:** I find it a lot easier to be a cabinet minister and have nasty questions shot at me than to have everybody standing up and talking about me so kindly. I feel very much like Huckleberry Finn must have felt as he sat and listened to his funeral. I want to warn everyone that I have not yet submitted my resignation.

There is a precedent that should worry almost all my party. About a year and a half ago, when I chose to say I would not be a contender in a race that was not on, Hughie Segal wrote a great column about me that appeared in the *Toronto Star*. It talked about, "Frank Miller, the spirit of the Tory party," or something like that. I said, "Hughie, after that, I think I will try."

After all these nice comments today, it is almost tempting enough to say, "Sorry, Larry, the letter is not in yet." That is not the case. I am looking forward to being an active member of this House. I have had opportunities few politicians and few Ontario citizens have had.

I am one of 20 people, of whom the Premier is a select member, who have had the chance to be Premier of this province in 117 or 118 years, or whatever it is. That is an honour in itself. It carries with it responsibilities, but we fight hard for the honour and the option to have those.

I thank the Premier for his graciousness in extending to me today—it was not prearranged—



the opportunity to go to Jiangsu. I will be pleased to do so when the time comes.

I say to the leader of the New Democratic Party too that I share as he did the friendships I feel around this House no matter how we differ. It is always hard for observers of the political process to understand that we do do that. We are fortunate to have that kind of atmosphere. Only once in a while in the heat of a debate do we lose track of it.

As long as we have a system where individuals can access it, regardless of their ancestry—and we have it—and at the same time have a system of monarchy which allows us to honour those traditions passed through blood, we have a wonderful mixture and balance of opportunities in our country. We have them in Ontario.

Each of us, according to our ability, has the right to try to change things. If I have learned anything at all as a politician, it is that individuals can affect the history, the wealth and the wellbeing of our citizens by becoming involved in what is a very honourable estate, politics.

## STATEMENTS BY THE MINISTRY

### REMOVAL OF WINES

**Hon. Mr. Scott:** Today I would like to bring the assembly up to date regarding the judicial inquiry into certain matters relating to the Liquor Control Board of Ontario.

The members will recall that earlier this month my colleague the Minister of Consumer and Commercial Relations (Mr. Kwinter) told the assembly of a potentially harmful substance found in some LCBO products. This substance was known to produce tumours in a variety of laboratory animals.

On the recommendation of the minister, cabinet yesterday passed an order in council authorizing a judicial inquiry. I am pleased to announce that pursuant to the Public Inquiries Act, Mr. Justice John Osler has been appointed a commissioner to conduct the inquiry.

We are fortunate to have an eminently qualified jurist like Mr. Justice Osler to look into this important matter. The Ministry of the Attorney General will be responsible for providing administrative support for the inquiry.

The order in council basically states that the government is concerned whether the practices of the LCBO in testing liquors, selling liquors and providing the public with information relating thereto have been in the best interests of the public.

The terms of reference will allow Mr. Justice Osler to conduct a full and thorough inquiry,

including inquiring into and reporting on the general practices of the LCBO since 1975 in testing its products for substances which ought not to be present for health or other reasons.

The order in council requires all government ministries, boards, agencies and commissions to assist the commissioner to the fullest extent in carrying out his duties. It also empowers him to subpoena witnesses.

### RED MEAT PLAN

**Hon. Mr. Riddell:** It is with a great sense of pleasure that I rise in the Legislature today to announce that I will be signing a historic agricultural agreement in the very near future.

Interjections.

**Mr. Speaker:** Order.

**Hon. Mr. Riddell:** Ontario will also pay up to \$30.9 million to red meat producers based on our commitment to make tripartite-level payments retroactive to January 1, 1985. We will do this by means of a stabilization payment.

After years of bickering, false starts, political infighting and failure, a national tripartite stabilization agreement is about to become a reality. Both the federal government and Ontario have agreed to sign the tripartite agreement. Final details are being worked out today on where that signing will take place and on some administrative procedures.

The successful completion of this agreement will be an important event in the history of Ontario agriculture. For too long, national stabilization has been a subject of discussion in this assembly as well as in federal-provincial meetings all over the country.

Years have come and gone. Promises have been made by previous governments at both the federal and the provincial level regarding the program. Deadlines have come and gone, leaving no resolution behind. Ontario's red meat producers have shown remarkable forbearance in the face of a difficult financial situation. Finally, they will be rewarded for their patience.

Shortly after I was sworn in as Minister of Agriculture and Food, I made it an urgent priority to hammer out a stabilization program for Ontario. I was able to get the issue of tripartite stabilization on the agenda of the meeting of federal and provincial agriculture ministers just a short time after I took office. At that meeting in St. John's, I told federal Minister of Agriculture John Wise and my provincial counterparts that Ontario and the country could not afford to wait any longer for this national program. Since then there has been a long series of telephone calls,

meetings and discussions leading up to the agreement to sign tripartite.

The plan will provide Ontario's red meat producers with an unprecedented level of stability. It will protect them in times of low commodity prices by assuring them of a return that will allow them to survive. The tripartite plan will help to smooth out the drastic and frequent fluctuations in the red meat market.

With this type of program in place, farmers will have the security to do more long-term planning and to make more rational business decisions. The stabilization program will also benefit Ontario consumers, who will be assured of a long-term supply of Ontario red meat at a reasonable price. The tripartite program will provide a big boost for red meat producers, who are currently being hurt by low commodity prices. Along with a series of other measures that I have announced since becoming minister, it will help to ensure the survival of the family farm.

Tripartite stabilization will come into effect on January 1, 1986, and will be financed equally by federal, provincial and producer contributions. The plan is the first major step towards putting producers across Canada on an even footing for the first time in many years. It will end the necessity of provincial treasuries competing against each other in providing their producers with special assistance.

It will eventually put all producers in Canada on the same solid footing. Provinces that do not sign the tripartite agreement will automatically lose federal stabilization payments they now receive for each specific commodity that will be covered by tripartite.

While I am extremely happy we are finally able to sign a tripartite agreement, we did not get everything we wanted in the plan. We wanted a phase-out period of three years for existing government subsidies in the red meat sector. However, the agreement calls for a five-year phase-out period of these extra subsidies, which are known in agricultural circles as top-loading.

In addition, Ontario wanted the tripartite agreement to be retroactive to January 1, 1985. However, the agreement that I will be signing will come into effect on January 1, 1986. But the Ontario government will keep its commitment to Ontario red meat producers. As I mentioned, producers will receive retroactive tripartite-level payments for 1985.

The hard-pressed red meat producers will receive up to \$30.9 million in provincial stabilization payments. The federal government

has agreed to make stabilization payments worth an estimated \$12 million to Ontario producers. In both cases the final amount will be known after 1985.

Farrow-to-finish hog producers will receive Ontario payments of \$7.38 per hog for the second quarter of 1985 and \$8.20 per hog for the third quarter. In consultation with the pork producers, a split in payment has been agreed between the sow-weaner and finishing production sections for 1985.

There will also be a second- and third-quarter payment for slaughter cattle, based on either a per pound or per animal calculation. Negotiations are continuing to determine the type of payment.

Lambs are also part of the agreement, but calculations have not yet been completed for the third and fourth quarters.

Hog producers should be getting application forms in the mail by early December. The first payments to producers are expected before the end of the year.

For slaughter cattle, the first payment is expected early next year. Application forms will be mailed to farmers who took part in the 1981 beef program. Forms will also be available through local Ministry of Agriculture and Food offices and the Ontario Farm Income Stabilization Commission.

These payments are badly needed in the red meat industry. They will help one sector of agriculture that has had serious problems. The Ontario family farm assistance program, which I announced earlier this fall, is already pumping a further \$50 million into the Ontario farming community, and we have also taken steps to help those farmers in the most serious financial trouble through the \$6-million farmers-in-transition program.

At this time, I would like to acknowledge the contribution of a valued member of my staff, the late Bernie McCabe, who was director of economics and policy co-ordination. He worked unceasingly throughout the lengthy negotiation process that led to tripartite stabilization. Sadly, he died in St. John's, Nfld., right after the last federal-provincial agriculture minister's conference. My deepest regret is that Bernie McCabe is not here today to share in the pleasure of the announcement of the upcoming signing of this historic and important program.

#### EMPLOYEE HEALTH AND SAFETY

**Hon. Mr. Wrye:** As honourable members know, the protection of the health and safety of



Ontario's working men and women is a critically important aspect of any Minister of Labour's responsibility. This government and this minister believe that while there is much to commend occupational health and safety law and its enforcement in Ontario, improvements are required. In that regard, I am pleased to inform the House today that three major changes in the occupational health and safety law and its administration are being undertaken.

First, section 145 of the industrial regulations made under the Occupational Health and Safety Act is being rewritten to provide greater protection to workers who may be exposed to toxic substances.

Second, a new ministry policy on the issuance and enforcement of orders under the act is being put into effect. This policy will ensure that the act is enforced with substantially greater vigour.

Third, the ministry's policy on prosecution is being revised to expand the number of situations in which prosecutions will be launched.

Section 145 of the industrial regulations made under the act is of central importance for the protection of workers in relation to toxic substances. In recent months, it has become apparent this section must be made more explicit, stringent and enforceable. It is my intention to recommend to my colleagues that section 145 be revised so that three vital points are addressed. These are:

1. The requirement that employers reduce exposures to toxic substances through the use of engineering controls and that the use of respirators be permitted only in exceptional circumstances;

2. The need to incorporate, by reference in the regulations, specific exposure criteria for toxic substances;

3. The need to reduce substantially the required time period for air sampling to determine if exposure has been excessive.

These changes will enhance the ministry's capacity to secure conviction when charges for contravening section 145 are brought against an employer.

**2:30 p.m.**

Let me turn to the ministry's new policy on the issuance and enforcement of orders under the Occupational Health and Safety Act. As I have indicated in the House on several occasions in the past, I regard compliance with the act to be a first priority, perhaps the most important area of public administration for which I am responsible. In this respect, I am pleased to report that the ministry's new occupational health and safety

orders policy has been finalized. This policy is designed to ensure early and full compliance with orders issued by ministry inspectors.

Let me now enunciate four of the most important attributes of the policy.

1. Orders will not be re-issued.

2. Compliance will be required at the earliest practicable date.

3. Specific deadlines will be set for compliance with every order issued.

4. Except in the most limited of circumstances, a prosecution will be commenced if the deadlines are not met.

The Valenite-Modco case is a classic illustration of the limitation inherent in the former government's orders policy. The new orders policy is specifically designed to address and eliminate these shortcomings.

The former prosecution policy unduly restricted the circumstances for which charges were to be considered. For example, the new policy will require prosecution to be considered where minimum age requirements for certain types of work are contravened. If the principal purpose of prosecution is deterrence, then we ought not to limit the circumstances in which prosecution might be appropriate.

While I believe the new orders and prosecution policies will significantly enhance the enforcement of the legislation, I wish to emphasize that we are also considering amendments to the Occupational Health and Safety Act to tighten up the existing section dealing with orders and prosecutions.

In closing, let me say I am both satisfied and convinced the initiatives I have outlined represent a substantial move forward in this government's continuing effort to enhance the protection of worker health and safety in our province.

#### ROYAL COMMISSION ON THE NORTHERN ENVIRONMENT

**Hon. Mr. Fontaine:** Recently, there have been questions from various organizations, groups and individuals about the Fahlgren report and the review process which has been under way in this government.

Tout d'abord, laissez-moi vous dire à nouveau que le gouvernement actuel reconnaît le caractère unique et distinct du Nord de l'Ontario, tel qu'il est présenté dans le rapport de M. Fahlgren. Notre gouvernement s'est prononcé clairement pour des changements et des améliorations sérieuses dans le Nord, comme prévu de notre détermination vis-à-vis de nos engagements.

J'ai annoncé aux membres de la Législature le 22 octobre dernier l'instauration d'un comité ministériel chargé du développement du Nord. Ce comité se rencontrera régulièrement pour examiner de près des idées d'initiatives nouvelles touchant le développement économique dans le Nord.

In addition, a \$100-million northern development fund has recently been set up.

As another example of our determination to move ahead with our agenda for the north, members will recall several recent announcements by my colleague the Minister of Natural Resources (Mr. Kerrio) regarding the management of our forest resources. In addition, he and his staff have had meetings with representatives of Indian associations, such as the Nishnawbe-Aski nation, and individual Indian bands, such as Aroland, Lansdowne House and the Whitesand band, to discuss new Indian reserves and access to natural resources.

Les députés se souviendront aussi de l'annonce récente faite par la ministre des Affaires civiques et culturelles (Mme Munro) quant à un programme spécial conçu pour rencontrer les besoins économiques spéciaux et les besoins de développement communautaire des peuples autochtones de l'Ontario.

Three million dollars has been earmarked for the Ontario native economic support program this year for projects designed to increase employment opportunities in native communities, including those in northern Ontario.

Thus it is clear that much has been done.

As for the government review process, I ask that those who wish to make formal submissions or comments on the Fahlgren report direct these to me. I will make sure all comments are redirected to the appropriate ministry. I am also asking that all submissions be in by the end of this year. This does not mean, however, a time limit on our consultation about northern issues; it is simply proposing a time limit for that phase which relates specifically to public comments on the RCNE.

Un comité de contrôle interministériel a été mis sur pied. Il est présidé par mon sous-ministre et ceux du ministère des Richesses naturelles, du ministère du Tourisme et des Loisirs et du ministère de l'Environnement. Ce comité se rencontrera régulièrement afin de se tenir informé de toutes les initiatives et de toutes les activités des différents ministères, sans jamais perdre de vue leur but premier de s'occuper, comme il faut, des intérêts et des besoins du Nord.

In addition, the new cabinet committee on northern development will be looking at the implications of the Fahlgren commission as well as other important northern issues.

Many of our plans will require much consultation with northerners. We are committed to involving the people of northern Ontario in the development of the north. Along with my colleagues, I have already begun discussions with representatives of northern groups, including native people, around northern problems and needs. We have also had discussions about new ways to ensure more effective communication with northerners regarding each region of the north.

As members know, I have proposed setting up regional development councils to provide me and the cabinet committee on northern development with advice on economic development matters.

Au cours des prochains mois, de nouvelles initiatives seront annoncées. En dernier lieu, il reviendra aux habitants du Nord de juger de la performance et du dévouement réel de notre gouvernement vis-à-vis des problèmes touchant le Nord de l'Ontario.

We are fully prepared to be measured in this way and are confident that by bringing new ideas and a spirit of true consultation to the table we will be able to meet our mutual objectives for the north.

## ORAL QUESTIONS

### TRADE MISSION

**Mr. Runciman:** My question is for the Minister of Consumer and Commercial Relations. During question period on Tuesday, the minister stated that his brother's firm is not allowed to sell its products outside Ontario. I accept that. He also indicated he was taking some meat products to his daughter in Israel. Again we accept that without any difficulty.

If only he had left it at that. I cannot accept his boasting, to quote the Canadian Jewish News, "I simply defy anybody to sample Kwinter salami, hot dogs and pastrami and claim they have ever tasted anything more delicious." On Tuesday the member for York South (Mr. Rae) noted concerns expressed to him by Kwinter competitors, and no wonder. Does the minister not understand that he was clearly shilling for his brother's meat products here in Ontario?

**Mr. Speaker:** Order. I appreciate the member's placing a question to the Minister of Consumer and Commercial Relations; however, I do not see how that question relates to the ministry headed by—



Interjections.

2:40 p.m.

**Mr. Speaker:** Order. I do appreciate that the other day a question was redirected from the Minister of Industry, Trade and Technology (Mr. O'Neil) the other day. If the minister wishes to answer, all right. However, I draw to the member's attention that there is a little question in my mind whether that really relates to this minister's portfolio.

**Mr. Runciman:** On a point of order, Mr. Speaker: If you are having difficulty with my directing that question to the Minister of Consumer and Commercial Relations, I will direct it to the Premier (Mr. Peterson) with respect to the performance of a minister of the crown.

**Hon. Mr. Peterson:** I think his performance, compared to the member's, is so beyond reproach that the member should be ashamed.

**Mr. Runciman:** That just confirms what I said the other day about this government.

Presumably, the minister has received guidelines concerning conflict of interest. In the view of this party, he has clearly overstepped reasonable bounds in this action. Will the Premier admit that a conflict exists and will he finally clear the air on this matter?

**Hon. Mr. Peterson:** I am absolutely amazed you guys cannot think of a better question.

For the honourable member, I would like to read this into the record. This is a telegram received by the Minister of Industry, Trade and Technology:

"As a member of the recent trade mission to Israel, I can assure you that the criticism from the Legislature is ridiculous. This was a hard-working, businesslike mission. Mr. Kwinter's presence added dignity and importance to the mission, which the Israelis recognized. My company is looking forward to significant results from the mission and appreciates Mr. Kwinter's support." It is signed by J. J. Mackay, president, NYAB Vicom Division of General Signal Ltd.

**Mr. Rae:** The minister may have been kibitzing with a couple of salamis and a reporter from the Canadian Jewish News and it may all have been misinterpreted and blown out of all proportion; but is the Premier aware of the fact that there are other producers of the same product as the Kwinter family name and that they have expressed a concern with respect to the activities of the Minister of Consumer and Commercial Relations as reported in the Canadian Jewish News and subsequently in the Toronto Sun? Is the Premier aware of that fact?

What reassurance is he prepared to give today to those other producers of products, which I am sure the Premier would agree are equally fine, equally wholesome and equally tasty, but which apparently do not have the official seal of approval of the Minister of Consumer and Commercial Relations?

**Hon. Mr. Peterson:** I am aware we are a province noted for our pastrami, our smoked meats or our ham. There are many fine producers. However, I think the member's colleague to his left said it all last Monday when he said, after this ridiculous exchange: "That is enough of the baloney. Let's get down to the serious business."

**Mr. Runciman:** It is unheard of that a minister of the crown would have his picture taken and put it in Ontario newspapers to advertise products of his family. In 1972, Premier Davis ordered, "While holding office, ministers will abstain from day-to-day participation in any business or professional activity."

Will the Premier accept the fact that his minister violated that directive, which he should have read by now? Will he admit his minister erred? Will he assure this House that this minister has no other possible conflicts outstanding?

**Hon. Mr. Peterson:** To my knowledge, he has no conflicts of interest. He was there doing an important job on behalf of this government. He was representing the government, leading an important trade mission. It was not as though he was being paid by the government of Taiwan to go there. He did important work. Everyone recognized that and the member knows it. Does my friend know something? If he is going to make progress around here, he has to ask a little better questions.

**Mr. Bennett:** Answer the question.

**Mr. Speaker:** Order.

**Mr. Runciman:** This a question to the Minister of Industry, Trade and Technology. As the minister will know, questions have arisen about the reasons behind his colleague the Minister of Consumer and Commercial Relations being chosen to head this trade mission to Israel. Will the minister tell us what criteria are used in terms of selecting the leader for trade missions such as this?

**Hon. Mr. O'Neil:** Thank you for the question. He was chosen for the trip because at the time I was too busy with other matters I needed to look after here in the House to go. He was the best, the most qualified person, and I felt he would do an excellent job on that trip.

**Mr. Runciman:** The figure of \$31,176 is quoted in this morning's Toronto Star as the cost of this trade mission. Will the minister confirm the accuracy of that figure and provide us with a breakdown of the costs?

**Hon. Mr. O'Neil:** I am aware the figure given was close to \$31,000. It is likely a little closer to \$32,500. That covered a 12-day trip to Israel plus an additional three or four days spent in London, England. I have checked out the total agenda. The minister whose integrity he is questioning started to work at about 7:15 or 7:20 in the morning and worked pretty well to 12:30 a.m. every night. He was very busy and he did an excellent job for us.

**Hon. Mr. Bradley:** Wait until we start checking the member's trips. Check that wine that went to Kenya.

**Mr. Speaker:** Order.

**Mr. Runciman:** The Minister of Consumer and Commercial Relations obviously carries a punch clock around with him; no question about it. Since there has been no announcement of new contracts, new business or new jobs, it seems we spent a lot of money to deliver a couple of salamis.

Will the minister tell us just what this mission did accomplish?

**Mr. Wildman:** That is not even a crude joke.

**Mr. Speaker:** Order.

**Hon. Mr. O'Neil:** I find it very strange that a person who was a minister from eastern Ontario, when the Premier reads a letter such as he did from one of the leaders of one of those companies in eastern Ontario talking about the excellent job he thought the minister had done and how he feels—

**Mr. Runciman:** It was just a coincidence.

**Hon. Mr. O'Neil:** No, that came unsolicited. The member should know without asking what these trade missions do and how excellent they are.

Interjections.

**Mr. Speaker:** Order. We have gone through this before.

**Mr. Rae:** Dare I say we may go through it again, Mr. Speaker.

2:50 p.m.

#### LAYOFFS IN SUDBURY

**Mr. Rae:** I have a question today for the Minister of Northern Affairs and Mines. I hope he is ready for a series of questions today on what is and is not happening in the north. He was in

Sudbury very recently and was quoted as saying in the Sudbury Star at the end of October 1985, "In so far as the Sudbury situation is concerned, we will try to put everything together by next week and will try to do something." That is what he was quoted as saying in the Sudbury Star in a very favourable editorial headed, "'Next Week' Push to Boost Sudbury."

The minister will know that Inco has indicated it is trying to lay off as many as 1,200 workers and has offered an early retirement program that has been taken up by roughly only 500 workers. He will be aware of the developments in world nickel markets and of the very real problems facing the workers in the Sudbury basin.

**Mr. Speaker:** Question, please.

**Mr. Rae:** Will the minister require that company to come before the Legislature of this province and justify its decision to continue to lay off workers year after year in the Sudbury basin?

**Hon. Mr. Fontaine:** The answer I gave in Sudbury, that I would have an announcement next week, was in response to the fact that we were meeting with the federal government, the company and the regional government to work on a scheme for Sudbury. To date, I have met at least three or four times with the company and I have met with the chairman of the region of Sudbury and the union. The Minister of Labour (Mr. Wrye) has done the same thing with the same people and with Ottawa.

We are very close to establishing a fund for Sudbury and we are trying to find a solution for this problem. When it comes time, if it is legal that we bring those people over here, I will, but I do not know all the laws on that, so we will see.

**Mr. Rae:** I am sure the minister would not want it to be said that the snail was about to become the symbol of the Liberal government of Ontario. The minister made a statement at the end of October saying it was going to be done in a week. We have workers and their families involved. In 1971, there were 18,000 workers at Inco and today that number is well below 8,000.

Through the powers he has as minister, will he convince the cabinet that there has to be a justification of Inco's decision before this Legislature? We have to be able to get at those figures, to get at what is going on and to require, once and for all, that this haemorrhaging of the economy and of those jobs finally comes to an end in the province.

**Hon. Mr. Fontaine:** First, I am not God. If the member is God, he should not be here. We are not alone in this negotiation. The member



should know that it is not only up to the province; it is up to the federal government and other departments to move. If we are so slow, it is funny that he is still in opposition and we are here. That is the difference.

Second, at every cabinet meeting in the last three weeks we have discussed the Sudbury issue, and this morning we spent more than half an hour on it. It is first on the agenda for my ministry, the Ministry of Labour and the Ministry of Industry, Trade and Technology, and we are going to do something. The member always has a question. It is easy for him to ask a question such as that, but we have got to put it together with the people of Sudbury, and that is what we are doing. He should wait a little longer and we will have some results.

**Mr. Gordon:** Surely the Minister of Northern Affairs and Mines is aware that the welfare budget in Sudbury at present after seven months is already \$1.5 million over budget and that there are many unemployed workers in Sudbury who are employable but who right now are on welfare because the Liberal government consistently refuses to come up with programs. When is it going to come up with a program to help those workers who are unemployed, on welfare—

Interjections.

**Mr. Speaker:** Order.

**Mr. Gordon:** This is not a comedy hour.

**Mr. Speaker:** Question, please.

**Mr. Gordon:** When is the minister going to come up with a program for those workers who are employable, who are on welfare and who are between the ages of 24 and 50?

**Hon. Mr. Fontaine:** I will have to say this in French, because je ne comprends plus rien dans cette affaire-là.

Premièrement, je ne peux pas comprendre que le député de Sudbury mette la question. Si cette question venait de l'autre bord, du Nouveau Parti démocratique, je l'accepterais parce qu'eux autres sont comme nous autres, on est des nouveaux ici. Mais ce gouvernement-là, qui était là pendant 42 ans, puis en plus depuis les dernières années qui savent ce qui se passe à Sudbury, je leur demande ce qu'ils ont fait pendant 42 ans, ce qu'ils ont fait depuis 20 ans à Sudbury.

**Mr. Rae:** I hope the minister will know that a meeting was held with the Premier on September 27 by a number of people from Local 6500 of the United Steelworkers of America in Ontario. One of the major issues addressed at that meeting was the fact that a pattern of persistent scheduled

overtime has gone on for a very long time, and now the company is suggesting a dramatic reduction in the work week. What is the minister going to do to resolve this very real problem of the company abusing its employees in this way?

**Hon. Mr. Fontaine:** I would like to ask the Minister of Labour to answer this question, please.

**Hon. Mr. Wrye:** Unlike the previous government, we are going to tackle the problem of overtime, and we already are tackling it. At my direction—

Interjections.

**Hon. Mr. Wrye:** The members opposite should just listen. They may learn something.

Interjections.

**Mr. Speaker:** Order. I am listening and I just cannot seem to get anything. Everyone is so quiet.

**Hon. Mr. Wrye:** I want to be helpful, because this is a very important issue. At my direction the employment standards branch has received from Inco, Falconbridge and a number of other employers, including Stelco, the amount of overtime worked, I believe, up to August 31 of this year.

If I may use Inco and Falconbridge, taking those figures over eight months and extrapolating them out to one year, it would appear that over and above 48 hours a week which, as the leader of the third party will know, is the mandatory overtime period, the overtime permits have allowed or would allow the two companies, during the course of a year, to employ workers an additional 100,000 extra hours approximately over and above the 48-hour week.

Obviously, that is a matter of no small concern to this minister and this government. I am currently reviewing with my officials what our next step ought to be in trying to work through this entire problem, because there are some legitimate emergency concerns, but we want to address the core problem. The members will see the next step in a series of initiatives coming forward in the next short while.

#### ROYAL COMMISSION ON THE NORTHERN ENVIRONMENT

**Mr. Wildman:** I have a question of the Minister of Northern Affairs and Mines with regard to the Royal Commission on the Northern Environment, which was established eight years ago and reported three months ago.

Since that commission was established to devise ways to transfer some of the decision-

making power with regard to economic development to northerners, is the minister satisfied with his statement today? Really all he is telling us is that there is further study and that he has established a number of consultative processes for further study of this report. Is it appropriate that this report should be studied by a committee of bureaucrats who were largely responsible for the decisions the commissioner was criticizing?

3 p.m.

**Hon. Mr. Fontaine:** My friend the member for Algoma should know the committees I am forming will recommend, not only to the bureaucrats but also to him and to us, a new industrial or economic strategy for the north while at the same time studying the tourism side of it and trying to protect what we have right now. The member heard me say last week, and I was serious, that those regional development committees will be in place before Christmas.

I also want to assure my friend that the bureaucrats who are working on it are not doing so to put the report on the shelf and let the dust collect on it.

**Mr. Laughren:** Come on.

**Hon. Mr. Fontaine:** No, come on; we have to be fair. We are already implementing some areas of this report. We cannot do it in one day, but every day we are going ahead on it. As I said to the member earlier, we have met with the natives, and we are going to meet with them again next week. Also, the Attorney General (Mr. Scott), who is the minister responsible for native affairs, will meet with the natives during the week of December 16 on issues directly related to the commission.

I also want to remind the member that the native people probably do not want another commissioner. They want to deal directly with each ministry, and that door will be open to them.

**Mr. Wildman:** During the last election campaign, the Liberal Party campaigned on a number of initiatives in northern Ontario. For instance, it said it was going to increase the processing of ore mined in the north, establish an economic base for native people, guarantee an immediate settlement of the Grassy Narrows mercury pollution problem, improve and expand the northern road system, establish a \$10-million northern education fund and regenerate the entire backlog of cutover forest land.

Since the government has not moved on most of these matters, can the minister advise us whether his southern Ontario colleagues and his southern Ontario advisers have convinced him

that these matters are no longer a top priority for the Liberal government?

**Mr. Davis:** It is like the rest of their broken promises.

**Hon. Mr. Fontaine:** There is always somebody talking over there. Those people who are talking should look at what they promised for 42 years in the north and come and see what we got for 42 years. I would like to ask my friend if he was in the north before another member was in the north himself.

Interjections.

**Mr. Speaker:** Order.

**Mr. Harris:** On a point of order, Mr. Speaker: The minister has said continually that he would like to ask questions of me or members on this side of the House. I would like to assure him that we would be delighted to provide him with the answers should he ever want to ask.

**Hon. Mr. Fontaine:** The member for Algoma gave me this long list, and I will have to look at each budget to see which one applies—I am sure most of it will be touched in the next six or seven months because we have another budget coming in. In addition, there is some money in the \$100-million fund for the issues he has discussed.

The member also talked about the processing of ore in the north. I discussed that with another member of his party, and we are going to try to look into that too in the future.

**Mr. Ramsay:** Why is the Minister of Northern Affairs and Mines not moving on all these Liberal promises? Why did he borrow all these issues from us only to have them stolen back by all the bureaucrats in his ministry?

**Hon. Mr. Fontaine:** I do not know who stole what. First, I want to remind the member for Timiskaming that it is only three short months that we have been here. We are going to be here for four years. We are going to be judged four years from now on what we did for the north.

#### TAX REVENUES

**Mr. McCague:** I have a question to the Treasurer, as he would expect. I note from the Treasurer's budget that he is interested in presenting to us a fair and accurate picture of the province's finances. To that end, can he tell us what the value of the increased personal income tax will be? Is it going to be \$50 million, \$70 million, \$115 million, as one of his staff agreed was a reasonably accurate figure, or \$220 million?



**Hon. Mr. Nixon:** I cannot give the honourable member the figure right off the top of my head; I will get the precise number and report it as soon as I can.

**Mr. McCague:** With all due respect, that is the same answer I got from the Treasurer two weeks ago, and I thought he might have had the answer today.

Interjections.

**Mr. Speaker:** Order.

**Mr. McCague:** Regardless of what that figure is, can the Treasurer give us assurance today that whatever it is, he will use that to reduce the deficit of \$2.2 billion?

**Hon. Mr. Nixon:** I now know what the member is talking about. I thought he was referring to the annualized revenue from the change in the income tax that is now before the Legislature and has had second reading approval. He is referring to the reports that come from the Department of National Revenue in Ottawa as to how effective the revenues are on the basis of the income tax in the collection agreement we have with the government of Canada.

From time to time, the government of Canada reports to us on the flow of revenue, based on the income tax collection agreement. With the buoyancy of the economy of Ontario, its most recent report projected that the revenues would be higher than expected. All we can go on are the projections that come from the government of Canada.

The member will recall that a year ago the province's revenues from this source fell short of expectations by close to \$700 million and the projections were very wrong, as wrong as they have ever been. These are the responsibilities of the government of Canada and not the Treasury of Ontario.

Actually, we are very glad to hear from the government of Canada from time to time, as we have, that the revenues are higher than expected. It is their expectation, not ours, and the fact that the revenues are higher than they predicted is certainly to our benefit and an indication of the buoyancy of the economy of this province.

#### NORTHERN DEVELOPMENT

**Mr. Martel:** I have a new question for the Minister of Northern Affairs and Mines. In his presentation—

Interjections.

**Mr. Martel:** He liked it. We did not have to ask those guys questions because they did not do anything for the north.

In its presentation to the select committee on economic affairs, the Ministry of Northern Affairs and Mines admitted we have lost half the jobs in the iron ore and nickel industries in the past nine years. The ministry played down those figures by suggesting those job losses will be compensated in part by the new boom in gold.

Is it the government's policy to respond to resource busts in iron and nickel by waiting for some other resource to be discovered? Does the minister really think the answer to job loss in iron ore and nickel will be offset by the new jobs created in Hemlo?

**Hon. Mr. Fontaine:** On this one, I think my friend the member for Sudbury East is right. There are some jobs in other mines in the community, but they probably are just replacing a few being lost at other places. In the north we will have to have a new direction and let the new government—

**An hon. member:** A new government.

3:10 p.m.

**Hon. Mr. Fontaine:** Do not worry about us; we are going to be here longer than they were, I am sure. I am not worried about those guys.

We will have to work together to bring new industries to replace those jobs that are being lost in the iron ore sector and in the mines around Sudbury. I am sure, as the honourable member says, there will not be enough gold mined to replace all those jobs; so we will have to work together to find other kinds of industry to move north. That is going to be a hard job, because the Conservative government tried for 42 years and did not do it. We will have to try other kinds of incentives. I am looking at transportation and hydro as incentives. I think those two should be a tool to help us to survive in that great north of ours.

**Mr. Martel:** With the creation of the Ministry of Northern Affairs in 1977-78, I moved an amendment to the act suggesting the government should establish what we call, for want of a better name, a tomorrow fund; it would be a tax on resources, forming a permanent basis for funding economic development in the north.

The minister will be aware that Fahlgren made a similar recommendation, that there should be a permanent financial package in place using a percentage of underground mining taxes and a stumpage fee to provide a permanent basis for funding. I want to impress on the government that it has to be put in place permanently to create some stability for economic development in the north.

Is the government prepared now to introduce that—not \$100 million over five years, but a permanent policy with a permanent fund for economic development, using a portion of the taxes from the resource industry?

**Mr. Speaker:** Does the minister want to redirect the question?

**Hon. Mr. Nixon:** Was my friend asking me or him?

**Mr. Martel:** He is redirecting to the Treasurer.

**Hon. Mr. Fontaine:** I redirect to the Treasurer.

**Mr. Martel:** Who is on first?

Interjections.

**Mr. Speaker:** Order. Is the Minister of Northern Affairs and Mines redirecting that question to the Treasurer?

**Hon. Mr. Fontaine:** Yes.

**Hon. Mr. Nixon:** Does my friend want the short answer?

**Mr. Martel:** I want a real answer.

**Hon. Mr. Nixon:** I will not give the short answer. I have already said, although I have not researched this as carefully as I intend to, that the north raises from its revenues on resources more money than is spent up there by this government. I want to make a careful assessment of that, not that this should be the basis of a decision, because it is an asset enjoyed by the whole of the province; that is true.

Also, the commitment in the budget to the continuation and strengthening of the northern development fund, particularly under the leadership of my colleague who is under such strict questioning today, is a tremendous advantage and a breakthrough in policy for the development of the north.

It grieves all of us to notice that the present economic downturn, which the whole country has suffered in the past few years, has stayed turned down in the north and, as a matter of fact, appears to becoming even worse than it was before. With the very rapid decline in the price of nickel and other base metals, we can see the situation is becoming even more serious.

The minister has indicated the policy development in the government is well under way, not that there is enough money to make prosperity come to all communities and for all families in the north—we wish there were—but at least to provide the targeted economic, industrial and business stimulation that we hope is going to

provide some assistance. That is the answer to the question.

**Mr. Speaker:** Final supplementary, the member for Sudbury, and I presume it flows out of the reply by the Treasurer.

**Mr. Gordon:** It certainly does flow out of the reply by the Treasurer. The members on the left, and most of the members in the House, realize that if we are to have true economic development in the north, we are going to have to have a policy emanating from the Treasurer's good offices that development will be channelled into the north and that it will have to be a policy of this government that manufacturing is going to be put into northern Ontario.

Is the Treasurer prepared to make that kind of commitment? We have seen money poured in the past, but it is not just money that is needed; what is needed is a policy commitment. That is what everybody in this House is driving at. Will the Treasurer do it?

**Hon. Mr. Nixon:** The honourable member was probably correct when he said that in the past he saw money poured in, without policy direction. In many respects, I suppose that has been wasteful.

The member for Sudbury East and the member for Nickel Belt (Mr. Laughren) brought in a delegation from Sudbury about six weeks ago. The regional chairman and some other very important people from the community presented one of the most impressive briefs, by way of the economic situation and projections, that I have seen in my short time as Treasurer. It certainly impressed me. I believe the same presentation has been given to my colleague the minister from the north and the caucus from the north. We have been impressed with this.

They pointed out, for example, that although one of the great new programs brought forward by this government to provide employment for people under the age of 24 is acceptable and important in Sudbury, it does not hit the mark of the requirement there, where the huge level of unemployment is in the major and standard work force. Something other than that, something in addition, is required.

We are aware of the situation and intend to finance programs with policy, direction and leadership. It is those last three things that have been lacking for so many years.

#### TEACHERS' LABOUR DISPUTES

**Mr. Sargent:** On behalf of the member for Grey (Mr. McKessock), I want to tell the House we are very glad the Grey county teachers' strike



was settled last night. I want to pay tribute to the minister for his—

*Interjections.*

**Mr. Sargent:** Hold it. I pay tribute to him for his round-the-clock surveillance of the situation for 50 days—

**Mr. Speaker:** Order. I remind the member it is question period.

**Mr. Sargent:** In view of the fact that the minister inherited this archaic situation from the former Tory government, will he consider scrapping the whole procedure and give us a game plan that will not force our students to take the flak for the teachers' salary process?

**Hon. Mr. Conway:** I want to thank my friend and colleague the member for Grey-Bruce for his question and for drawing to the attention of the House that last evening in his great city the matter of the secondary school dispute in Grey county was resolved by both parties at the local level.

The honourable member knows that in the past number of years we have developed considerable experience with the legislation, Bill 100. While it is not a perfect model and while I have indicated to my friend from Mount Forest on an earlier occasion this fall that I would be prepared to entertain the advice of members in the upcoming estimates of the Ministry of Education in the standing committee on social development, I feel it is very important to indicate, on my behalf and that of the government, that we have a legislative mechanism which by and large has worked very well; it has resolved vastly more than it has left unsettled.

In conclusion, I was delighted to be told late last evening that those two parties in Grey had done what so many other parties in so many other communities across this province have done; that is, respond to the community concern and settle those matters at the local level between themselves.

3:20 p.m.

**Mr. Ferraro:** I share in the joy of my friend the member for Grey-Bruce and I am hopeful I will soon be able to smile as widely as he is smiling today. Not that my friend ever needs support in this House; far from it. The feisty individual can usually go it alone. I share his concerns about the need to look at the workings of Bill 100 and the functions of the Education Relations Commission. It would not do any harm at all to look at them.

**Mr. Speaker:** Order. I do not think it would do a bit of harm to ask a supplementary. Please do.

**Mr. Ferraro:** I hope the Ministry of Education will consider my friend's request and also a plan for a submission from the University of Guelph as to the effects of a strike on the community. Will he consider it?

**Hon. Mr. Conway:** In answer to the member for Wellington South, yes, I would be prepared to entertain the submissions and constructive advice of all members of this House on the matter of the School Boards and Teachers Collective Negotiations Act, Bill 100. I have so indicated on earlier occasions.

In addition, I would note that four or five years ago the Commission to Review the Collective Negotiating Process between Teachers and School Boards—as the member for Hamilton West (Mr. Allen) pointed out so appropriately in the debate Tuesday afternoon—looked at the workings of Bill 100. We should perhaps use that as a good focus for the discussion.

I would be most anxious to accommodate the interests of all honourable members in this connection, knowing the concern of people like the member for Wellington South.

**Mr. J. M. Johnson:** I am very pleased the strike in Grey has been settled and I hope the meeting today with the Wellington teachers and trustees will also be fruitful. I thank the minister for setting up the meeting.

Will he and the Premier (Mr. Peterson) now please set up an all-party committee to review Bill 100 and the Matthews report to see if we cannot improve it to better protect the rights of students?

**Hon. Mr. Conway:** There is an all-party committee of this Legislature which has a mandate to look at these matters and that is the social development committee. I repeat that I would be most anxious to discuss that matter at that committee at any time the members might find it useful.

I must say to the member for Wellington-Dufferin-Peel, I would be interested to know here in the late fall of 1985 what the view of the official opposition is with respect to the fundamentals of that legislation.

#### INJURED WORKERS

**Mr. Gordon:** I have a question for the Minister of Labour. There is a grave concern that the interests of injured workers will be jeopardized in the dispute between the Ontario Medical Association and the Workers' Compensation Board. Can the minister assure this House that he will safeguard those injured workers?

**Hon. Mr. Wrye:** The Ontario Medical Association has indicated it is having some difficulty with the amount of money we have offered it and with the way we are finalizing the policy the WCB offered to the OMA which the former government agreed to.

I note with interest the OMA has made some comments which give me some concern. I believe the administration of the Workers' Compensation Board, under Dr. Elgie, has put a reasonable offer to the OMA. I am still hopeful the matter can be resolved amicably. We are monitoring the situation very closely.

**Mr. Gordon:** As the minister is aware, every day this dispute goes on, injured workers' rights are being threatened. Will he give us an assurance that he will try to move things along and stop this from becoming a very bad divorce case? Will he have Dr. Elgie and the president of the OMA, Dr. Myers, get together to discuss this and try to resolve this dispute?

**Hon. Mr. Wrye:** The honourable member will know that this dispute stems from an agreement between the board and the OMA whereby the fees payable to doctors were to reach 95 per cent of the OMA rate in the fee schedule by April 1, 1985, if memory serves me correctly.

As a result of activities the previous government undertook in reducing the OMA fee schedule by two per cent, the Workers' Compensation Board took a similar action. That is what started the dispute. The matter has been aggravated by the fact that the offer the OMA has received from the board of five or six per cent this year, if taken with all the previous offers, would allow that 95 per cent figure to be reached by the OMA. In my view, the OMA has been unreasonable in rejecting that offer and instead wants 12.5 per cent for last year and the 11.5 or 11 per cent that was originally agreed to this year, in spite of the fact the individual-year agreements were to reach a 95 per cent figure.

I cannot give that assurance because the OMA has these matters in its power to some extent, but we hope—

**Mr. Speaker:** Order. New question.

#### FOREST MANAGEMENT

**Mr. Laughren:** I have a question of the Minister of Natural Resources on yet another northern problem. The minister will know that the Royal Commission on the Northern Environment commented that an average of 42,000 hectares of productive forest land were lost during the 1970s due to lack of regeneration. His

party promised to address that problem in its policy on northern Ontario earlier this year.

Could the minister tell me what plans he has to regenerate this backlog? How much of it will be done this year?

**Hon. Mr. Kerrio:** I really cannot say how much will be done this year, but I can say this government and this ministry are going to pursue the new arrangements with forest management agreements as a very high priority to make certain we get the regeneration up to the reforestation that will ultimately lead to sustained yield. That is the program we are putting in place.

It is going to take some time. I shall not attempt to suggest otherwise. The member will, very properly, be fully apprised and will participate in the decisions that will yield to sustained yield.

**Mr. Laughren:** The minister will know that his party's policy on northern Ontario published earlier this year stated the government was going to have a new forest production policy that would set targets because of the wood supply it is anticipated we will need in the years to come. The previous government had not updated its forest production policy for 13 years. Could the minister tell us if he has now finally arrived at a new forest production policy, which his party promised to do? Just what is it?

3:30 p.m.

**Hon. Mr. Kerrio:** I cannot say that has been done at this time. I am suggesting we have all the intentions and a commitment to do it. The first thing that is being done is the assessment of the numbers I have been given by Dr. Baskerville. Having made some kind of assessment as to what I am inheriting from the government of 40 years, I will be more properly able to tell the member what my restrictions are going to be and how soon I can accomplish my goal.

#### MEDICAL TRANSPORTATION

**Mr. Hennessy:** I direct my questions to the Minister of Health. Has he come up with any specific program and date on the implementation of the cost assistance for health travel for people in northwestern Ontario?

**Hon. Mr. Elston:** I am pleased to have that question brought to my attention and by the indication made by the member to my parliamentary assistant, the member for Wentworth North (Mr. Ward), that this question would be forthcoming. Naturally, the gentleman has been invited to be with the member for Wentworth



North when he attends at a function in Thunder Bay on Monday next, and we expect to have the program available and details to be announced at that time.

**Mr. Hennessy:** I would appreciate the invitation in writing, not verbally.

**Mr. Breagh:** Who is going to read it for the member?

**Mr. Hennessy:** The member who asked that will.

Will the members from northwestern Ontario be advised of the details of the program and the time and place of the announcement by the minister? I would just like to know for sure. I would not like to come back to Toronto and find out the announcement was made in Thunder Bay and the member for Port Arthur (Mr. Foulds) and I had not known about it.

**Hon. Mr. Elston:** Given the way we have handled the development of this project and the way I have announced programs in Thunder Bay before, the member can rest assured that an invitation expressed to him verbally or in writing, either way, is a genuine invitation for him to be with us. I have already spoken to the member for Port Arthur. I know the member for Fort William (Mr. Hennessy) has been contacted by the member for Wentworth North.

We extend the invitation. If the member wants it in writing, I will get him the exact time and place. For sure, it will be on Monday in his fair city and the details will be available for all the people across Ontario to review at that time. I will be writing a note as soon as this question is finished, to invite him formally to attend at the Thunder Bay conference. I am sure my parliamentary assistant will be able to provide him with the exact time and date, and a chair to attend at that function on Monday.

The invitation is extended by me orally now and I will write it down for him in about two minutes and send it across the floor.

**Mr. Foulds:** I would be glad to send the member an invitation myself.

Has the minister hammered out the difficulties he spoke to me about, I think about five weeks ago? Are all the details of the plan now in place?

**Hon. Mr. Elston:** A round of consultations has taken place under the auspices of the member for Wentworth North—and those have been considerable—with members of the northern caucus of the New Democratic Party, members of the official opposition party in northern Ontario, various people in this party and then

with all kinds of people who have an interest in northern Ontario.

We have been able to hammer out a workable program, the details of which will be made available to members on Monday as well, and I think you will find, Mr. Speaker, that we will address most of the questions raised by people such as the member for Port Arthur, who has had a long-standing interest in this project. I think we have met most of them, but we are reviewing the implementation of the program and we will be looking at it from an ongoing standpoint.

#### NORTHERN DEVELOPMENT

**Mr. Morin-Strom:** I have a question for the Minister of Northern Affairs and Mines. He has announced he is planning to introduce a bill this month that will change the name of his ministry to the Ministry of Northern Development and Mines. What will this change do to develop secondary industry and jobs for the 45,000 people in northern Ontario who are unemployed now?

**Hon. Mr. Fontaine:** By changing the name, we are trying to give a new direction to this ministry. It was a dream of mine, in consultation with the people who work in northern affairs and the people of the north. Before northern affairs was in the east, when people talked about northern affairs they always thought it was in the west, in the riding of the member for Kenora (Mr. Bernier). I realize that was not true, it was a false perception, because at the end, during the last three or four years, we in the east were trying to get our share of it. But now the people in the north want a new name, and I decided to go that route.

As for job creation, I will ask my friend the member for Sault Ste. Marie (Mr. Morin-Strom) to wait. We are going to start slowly to implement some programs. The old program will exist together with my new program. Early next year we are going to have new direction by way of a new program. The northern Ontario regional development program will stay. AgriNorth will be there, and the Ontario Development Corp. and the small business development corporation are there, but we are working with the Ministry of Industry, Trade and Technology, the Ministry of Tourism and Recreation, and the Ministry of Natural Resources to find new programs to create new jobs.

**Mr. Morin-Strom:** I am afraid the people of Ontario do not want to wait to hear what the minister's proposal is. We would far prefer to be involved in setting a new direction for northern

Ontario. Since the minister's intention, as he has just stated, is to change the direction of his ministry and what the government of Ontario will be doing in the north—a change that will affect all the people of northern Ontario—will he give northerners the opportunity to have input into this change by sending the bill to change the name of his ministry to a committee that will hold hearings across northern Ontario?

**Hon. Mr. Fontaine:** I don't have to send the bill to committee; I am going to be sworn in next week.

#### SENIOR CITIZENS' SERVICES

**Mr. Cousens:** My question is for the Minister of Health and I will try to squeeze it in so he can give me a quick answer. It has to do with North York General Hospital's need for a seniors' health centre. There are 60 beds waiting for approval for chronic care and nursing home care. It is a promise he made during the election campaign. When will he be making an announcement about licensing those beds?

**Hon. Mr. Elston:** Is the honourable gentleman quite clear on the question? He is speaking of chronic care and he also is talking about nursing home beds. Before the question can be adequately addressed, maybe the member would like to provide me with more detailed information as to what he really is asking, so that we can answer properly.

#### PETITIONS

##### PROVINCIAL PARKS

**Mr. Laughren:** I have a petition, as follows: "To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"That the practice of renting out provincial parks be stopped and that, as outstanding leases expire, the Ministry of Natural Resources resume direct management of the parks."

More than 20,000 signed the petition.

##### ROMAN CATHOLIC SECONDARY SCHOOLS

**Mr. McGuigan:** I have a petition to the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario with regard to funding. I will not read it, as many others have been presented before. There are about 100 names on it.

3:40 p.m.

#### REPORTS

##### STANDING COMMITTEE ON GENERAL GOVERNMENT

Mr. McCague from the standing committee on general government reported the following resolution:

That supply in the following amount and to defray the expenses of the office of the chief election officer be granted to Her Majesty for the fiscal year ending March 31, 1986:

Office of the chief election officer program, \$287,000.

##### STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Mr. R. F. Johnston from the standing committee on social development presented the following interim report:

On July 9, 1985, Bill 30, An Act to amend the Education Act, was referred to the standing committee on social development for public hearings and clause-by-clause consideration.

The committee wishes to inform the House that the public hearings on Bill 30, An Act to amend the Education Act, have been concluded at this time and that any further witnesses speaking on the bill will appear at the invitation of the committee. The committee also wishes to advise the House that clause-by-clause consideration of the bill has been postponed until the Ontario Court of Appeal has ruled on the issues that have been referred to the court.

**Mr. Speaker:** Shall the report be received and adopted? No? It is just being presented.

##### STANDING COMMITTEE ON REGULATIONS AND PRIVATE BILLS

Mr. Haggerty from the standing committee on regulations and private bills presented the committee's report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill Pr24, An Act respecting the County of Elgin.

Your committee begs to report the following bills without amendment:

Bill Pr19, An Act respecting the Belleville General Hospital;

Bill Pr22, An Act to revive 404 K-W Wing Royal Canadian Air Force Association;

Bill Pr25, An Act respecting the City of Brampton;

Bill Pr30, An Act to revive the Balfour Beach Association.



Motion agreed to.

## MOTIONS

### COMMITTEE SITTINGS

Hon. Mr. Nixon moved that the standing committee on administration of justice be authorized to meet following routine proceedings on Monday, November 25, and Tuesday, November 26, for clause-by-clause consideration of Bill 1, An Act to revise the Family Law Reform Act.

Motion agreed to.

### ESTIMATES

Hon. Mr. Nixon moved that in the standing committee on public accounts the estimates of the Office of the Provincial Auditor be considered for three hours.

Motion agreed to.

## INTRODUCTION OF BILLS

### RESIDENTIAL TENANCIES AMENDMENT ACT

Mr. McFadden moved, seconded by Mr. Davis, first reading of Bill 59, An Act to amend the Residential Tenancies Act.

Motion agreed to.

**Mr. McFadden:** This bill would amend the Residential Tenancies Act to ensure that tenants in nonprofit housing projects are afforded the same protection against unjustified rent increases as tenants in other forms of rental accommodation in Ontario.

### ASSOCIATION OF MUNICIPAL CLERKS AND TREASURERS OF ONTARIO ACT

Mr. Mancini moved, seconded by Mr. Rey-craft, first reading of Bill Pr11, An Act respecting the Association of Municipal Clerks and Treasurers of Ontario.

Motion agreed to.

**Mr. Mancini:** This bill provides for the continuation of the Association of Municipal Clerks and Treasurers of Ontario as a corporation incorporated under a special act of the Legislature.

Under the bill, members of the association will be given the exclusive right to use certain designations and abbreviations thereof as set out in section 7.

### ONTARIO LAND INFORMATION ACT

Mr. Martel moved, seconded by Mr. McClellan, first reading of Bill 60, An Act respecting the Register of Ontario Land Information.

Motion agreed to.

**Mr. Martel:** This bill would authorize the creation of a public register showing the ownership of all privately held land in Ontario, the use of the land and whether its owner is a resident or nonresident of Canada.

Every owner, purchaser or vendor of an interest in land in Ontario would be subject to a reporting requirement.

### EMPLOYMENT STANDARDS AMENDMENT ACT

Mr. Mackenzie moved, seconded by Mr. R. F. Johnston, first reading of Bill 61, An Act to amend the Employment Standards Act.

Motion agreed to.

**Mr. Mackenzie:** The proposed bill increases the vacation period to which an employee is entitled under the act. Currently, the act provides a two-week vacation period for each employee, and that does not vary with the amount of employment service, a position that leaves us behind many countries.

This bill would provide for two weeks in each year upon the completion of 12 months of employment, three weeks in each year upon the completion of 60 months of employment, four weeks in each year upon the completion of 120 months of employment and five weeks in each year upon the completion of 240 months of employment.

### ONTARIO SAFE DRINKING WATER ACT

Mrs. Grier moved, seconded by Mr. D. S. Cooke, first reading of Bill 62, An Act respecting Ontario Safe Drinking Water, 1985.

Motion agreed to.

3:50 p.m.

**Mrs. Grier:** This bill is intended to protect and enhance drinking water quality in Ontario. It provides for the making of regulations to set maximum permissible levels of contaminants and provides opportunities for public involvement in the making of these regulations.

### ANSWERS TO QUESTIONS IN ORDERS AND NOTICES

**Hon. Mr. Nixon:** I wish to table the answers to questions 79, 80, 84, 93 and 95 in Orders and Notices and the interim answers to questions 85 to 92, inclusive [see Hansard for Friday, November 22].

## ORDERS OF THE DAY

### PRIVATE MEMBERS' PUBLIC BUSINESS HEALTH PROTECTION AND PROMOTION AMENDMENT ACT

Mr. Pierce moved second reading of Bill 52, An Act to amend the Health Protection and Promotion Act, 1983.

**Mr. Speaker:** The member has up to 20 minutes and may reserve any of that time for the latter part of the debate.

**Mr. Pierce:** I will reserve the time I have left at the end of my remarks to make some closing comments.

Today I wish to present a bill to the House for consideration. It is long overdue that we speak out on this critical issue and set about correcting some of the serious inadequacies and loopholes that exist in the health care afforded to our children.

My bill deals with the occurrences and documentation of severe side-effects which can result from the vaccination of infants and children. Some members may not be aware that the routine vaccination called DPT, diphtheria, pertussis and tetanus, given to almost every one of our children, can lead to convulsions, brain damage and even death.

As a member of the riding in which eight children are thought to have suffered permanent mental retardation and physical handicap as a result of this inoculation, I feel compelled to see that something is done about this nightmare.

We need to take a close look at DPT. While it is necessary to curb the spread of infectious diseases, it is also necessary to make parents and doctors aware of the potential adverse reactions which can occur from such vaccinations. Most important, we must have in place a system of mandatory reporting of adverse reactions, so we can develop a complete and accurate picture of the benefits and risks of DPT.

For the benefit of those members who may not be familiar with the issues surrounding the DPT vaccine, I will offer some background. Canadian children are routinely given four DPT shots in infancy—at two, four, six and 18 months—and then a booster shot at four to six years.

While the diphtheria and tetanus components are mandatory and nonproblematic, the pertussis component, better known as whooping cough vaccine, has been responsible for severe reactions, including high fever, seizures, inflammation of the brain, permanent brain damage and sometimes death. Immunization against whooping cough is not mandatory. Parents have the

right to refuse shots, and many are exercising this right.

Federal government estimates, based on foreign studies, indicate that one in 1,750 shots of the pertussis vaccine will cause seizures; one in 110,000 will create a temporary nervous-system disorder, and one in every 310,000 shots will lead to permanent brain damage. These odds may seem low to members and myself, but the risk may be significantly higher because British children, upon whom these statistics are based, receive a somewhat different vaccine from that for North Americans, and North Americans are vaccinated at a later age when the nervous system is less vulnerable to drug-induced damage.

My riding is one of the smallest in Ontario, with roughly 30,000 people, yet there are eight children who have suffered severe, adverse reactions to pertussis. To me, that indicates that the calculations of risk may well be inaccurate. Every riding might have children like these. I urge my fellow members to take a close look for vaccine-damaged children in their own constituencies.

This issue was brought to my attention by the parents of Melanie Tetu of Stratton, Ontario. Melanie was born in March 1976. In June of that year, she was given her first DPT vaccination. She cried continuously for three days. Doctors prescribed a sedative drug used for allergies and attributed her problem to teething.

After the second shot, Melanie was jumpy, had stiff limbs and screamed constantly. Again, she was given a sedative for teething. After her third shot in August 1976, her parents became concerned about Melanie's slow development. Doctors said she was lazy. By Christmas, she was gagging on her food.

In May of the following year, she was diagnosed as having cerebral palsy, mild seizure with some brain damage. At five years Melanie was given a DPT booster. She had had a seizure one week earlier and the doctors were aware of this. A child with a history of seizure should not be given any needles. Melanie's parents feel that more brain damage was caused by the booster.

Patrick Rothwell of Burlington, Ontario, is six years old, blind, mentally retarded and speechless. His father said that no one ever told him of the possibility of an adverse reaction to DPT.

Donna Payne of Etobicoke believes her daughter Amanda died last winter after and because of pertussis vaccination. Amanda went into a seizure eight hours after the vaccine, was rushed to a hospital and treated for epilepsy. Like



others, Mrs. Payne says that she was ill-informed.

Steven Ventress of Oshawa suffered seizures after his second and third DPT shots. Doctors at the hospital blamed it on an ear infection, high temperature or chest infection. No one ever suggested it might be a reaction to the vaccine, even though Mrs. Ventrese repeatedly asked if this was so.

In 20 minutes I cannot possibly recount all the heartbreaking stories of children who, despite the fact that they showed obvious adverse reactions to the pertussis vaccine, were given subsequent DPT shots. Federal summaries of 366 suspected adverse reactions to DPT vaccine reported in the first six months of 1984 point to a problem of repeated vaccination of high-risk children.

The issue at hand is not whether the pertussis vaccine should be routinely given to children. We all know the protective benefits of vaccines far outweigh the risks. Whooping cough can cause mental retardation, inflammation of the brain and other serious complications. One needs only to look at charts that estimate the annual number of cases of whooping cough and permanent injury that would result with and without present immunization programs to realize the benefits of DPT outweigh the risks.

No one questions the need of a vaccine like DPT, but given the risks of paralysis, brain damage and death, the questions that might be addressed concern the levels of effort to find a safer drug and to make parents and doctors aware of the dangers and side-effects directly attributable to the vaccine. Where have the efforts been to make mandatory the reporting of adverse side-effects to the local medical officer of health?

There has been considerable activity on the part of the media and organizations of concerned parents to increase the awareness of the public and medical professions about the dangers of pertussis. Dissatisfied Parents Together, which in short form is DPT, an organization concerned with children who have been damaged by the DPT vaccine, brings families of victims together to warn parents of risk.

**4 p.m.**

The Toronto-based Committee Against Compulsory Vaccination is trying to educate doctors and parents about bad reactions and the need for compensation of damaged children. They argue that parents are not being told of the dangers associated with the vaccine and that some doctors are unaware of what is happening to their patients after shots.

These groups allege that some members of the medical profession know the risks of permanent brain damage but seldom tell parents for fear they will refuse to have their children immunized. Dr. Gold, chief of infectious diseases at Toronto's Hospital for Sick Children, has stated that one of the problems has been the failure to inform parents adequately about the side effects. Federal reports listing suspected adverse reactions to vaccines indicate that some doctors and nurses have not been properly educated about the dangers of whooping cough shots and are not screening out the high-risk infants.

It should be clear to my fellow members that there are significant and pressing problems surrounding the use of the DPT vaccine. Action needs to be taken in several areas. There must be an increased effort to inform all concerned parties about the risks of the vaccine, about which children are more vulnerable to adverse reactions and under what conditions subsequent shots must not be given.

There is absolutely no excuse for a child to suffer permanent brain damage because of a lack of communication. Although there has been some action on the part of the Ontario Medical Association to promote awareness, this has not gone far enough. Inoculations are still being given to children whose adverse reactions are misinterpreted as teething problems. High-risk infants such as those with a history of seizures continue to slip through the screening process. My bill will alert the medical establishment and the public that there is a concern about DPT vaccine and that Ontarians need to know more about its effects.

In my mind and in the opinion of concerned parents and medical practitioners, the very central and most crucial issue in the whole question of pertussis is the lack of any coherent and compulsory system for the recording and tracking of incidents of severe adverse reactions to the DPT vaccine. It is the issue of reporting that my bill seeks to address.

In the words of Donna Middlehurst, a lawyer and co-founder of the lobby group Dissatisfied Parents Together: "You hear the claim that the benefits exceed the risks, and the statistics are offered on how whooping cough and related deaths have dropped since vaccination began. I am not suggesting that these numbers are irrelevant, but there is a part of the equation that is missing."

The current system in Ontario involves voluntary reporting of adverse reactions. The Ontario Ministry of Health fact sheet on DPT reads, "If a

person who received the vaccine gets sick and visits a doctor, hospital or clinic within four weeks after the vaccination, please report it to your local health agency." Similarly, a federal government publication put out by the Department of National Health and Welfare indicates that health personnel should report adverse reactions, especially severe or unusual reactions, to the local health departments.

There is no federal legislation compelling doctors to report vaccine-related reactions to federal health officials. Dr. Stan Acres of the communicable diseases division of the Department of National Health and Welfare admits that we should be paying more attention to adverse reactions. Perhaps we have been a bit delinquent on the issue of follow-up.

Clearly, we are operating in the dark with DPT vaccine. A book is available in all bookstores and should be read by each member of this Legislature, because it provides an insight into what is taking place in the area of vaccinations. The name of the book is *DPT, A Shot in the Dark*, by Harris L. Coulter and Barbara Loe Fisher.

The reporting of adverse reactions is so inconsistent and medical records so often incomplete that it is impossible to know how any Canadian children have been damaged by the vaccine. As we can all imagine, the system of voluntary reporting cannot and does not provide reliable incident rates of severe reaction to pertussis vaccine.

Our federal estimates are based on foreign studies because there has never been a comprehensive, long-term study of Canadian children with severe reactions to pertussis shots. Why? Because there is no compulsory reporting system that could generate data that would permit calculation of these incident rates.

In Sweden, physicians have for years been required to fill out annual questionnaires on vaccine reactions. Perhaps that is why Swedish estimates of pertussis vaccine reactions, deaths and permanent damage have always been higher than those of other countries.

We do not keep track of the numbers of children who are being permanently brain-damaged by pertussis vaccine, yet we continue to vaccinate our children with hardly a second thought.

My bill, which will amend the Health Protection and Promotion Act to require doctors, nurses and pharmacists to make reports to the local medical officer of health, will build up the confidence we need to make a sound judgement about the use of DPT.

As it stands, compliance with the voluntary reporting of immunization complications is less than optimal. Many physicians are not cognizant of the clinical features of adverse reactions and, further, both physicians and manufacturers have been held liable for damage suits. These factors undoubtedly discourage reporting.

Often the doctor who administers the vaccine is not the same doctor who is called to examine a baby suffering from an adverse reaction. Doctors observing these reactions must feel a certain level of discomfort in seeing damage done by a procedure which they recommend to hundreds of parents, and may therefore be loath to blame the procedure.

Medical officers of health are in a predicament because they do not want to publish reaction figures which might discourage the acceptance of an immunization procedure which they consider on the whole is worth while.

Without the power of the law requiring the reporting and the recording of occurrences of severe reactions of pertussis vaccine, health officials will be able to continue to pass the buck of responsibility and children will continue to fall between the cracks of medical bureaucracy.

There has been a tragic breakdown in communication. The true risk of pertussis vaccine will be known only after all the links of the reporting chain have been repaired—from parents to doctors and from doctors to health agencies responsible for setting vaccine policies.

For a reporting system to work properly, doctors must be compelled to report reactions, and a central record-keeping agency must be ready to receive these reports. Neither requirement exists in Ontario, and with no legal requirement for a doctor to do so, is it any wonder that parents doubt the reliability of the federal government's analysis of the risks of pertussis vaccination?

Without making it mandatory to report adverse reactions to DPT shots, we run the risk of inoculating our children within the framework of a grossly inadequate picture of the dangers of DPT.

My bill requiring the reporting of severe reactions to DPT will provide a system that generates comprehensive statistics so an accurate benefit-risk analysis can be done. This system can prevent children with prior adverse reactions from being subjected to further harm. It can flag suspicious clusters of reactions to warn doctors and manufacturers should a particular lot of vaccine be questionable and perhaps withdrawn from the market. A system such as this would



have prevented the irretractable damage done to the eight children in my riding.

I cannot emphasize enough how important and how long overdue is legislation such as the bill I introduced today. We cannot continue to operate in ignorance when the health of Ontario's children is at stake. We must know the facts about pertussis vaccine.

With these remarks, I invite my colleagues to comment on this proposal and join me in its endorsement.

I would like to reserve the remaining time for my closing remarks.

**4:10 p.m.**

**Mr. D. S. Cooke:** I will be very brief on this bill. First, I want to say that I appreciate the fact our colleague has brought this issue forward, but the manner in which he has brought this bill before us, with statistics that are highly questionable and put forward almost as a scare-tactic approach to what is a very basic component of our health care system, is not a particularly helpful method by which to discuss vaccination in Ontario.

I will be supporting the bill, because I think one of the important aspects is that there is a lack of information in our country about what exactly is the reaction to this vaccine. There have been some studies done in other countries. There has been public concern expressed around the world about the diphtheria-pertussis-tetanus vaccine. The main problem has been a lack of data on how widespread the reaction to this vaccine is. Reports of major problems have caused major controversies in other countries, Britain and Japan being notable.

In Sweden, originally there was a suggestion that one in 6,000 children immunized was left with brain damage. I believe that figure was quoted by the honourable member today. However, later, through better analysis as to what actually had caused brain damage in these children, the real figure was put at one in 50,000. By the time these true figures had come out, public confidence in the vaccine had dropped so significantly it is my understanding it was eventually withdrawn in Sweden.

Given the reaction and comments the member has made today, we run the risk of decreasing rather than increasing public confidence for this type of health activity.

In Britain, a study was set up to obtain the necessary information to evaluate the vaccine. The main findings were that seizures and comas within one week of administering the vaccine were one in 110,000 and permanent brain

damage occurred in one in 310,000. Britain maintains, and I agree, that this vaccine is absolutely essential and should be maintained as part of the health care system.

We must not discourage the use of DPT vaccine. We had lengthy discussions in this Legislature when legislation was changed a year or two ago by the then Conservative Health minister, making vaccines virtually mandatory in this province, with severe fines and withdrawal of children from schools being proposed by the government at that time. The member should realize his Health minister then felt very strongly that vaccination should be mandatory in this province.

Doctors should have to inform the medical officer of health of any severe reaction to DPT vaccine. This is simply a good tool for evaluating the vaccine. Panic reactions demonstrate the need for continuing to collect data and supplying it to the public. Reporting would enable the medical officer of health to track whether there is a problem with a particular batch of the vaccine and carry out tests. This is important, since adverse reactions to the vaccine may be due to problems such as faulty manufacture, storage, handling or administration.

Reporting will contribute much-needed information to aid in the development of better-quality vaccines and will enable doctors to identify those groups at potential risk and build a profile of those most likely to develop problems. Reliable data will allow parents and doctors to make informed decisions on the risks and benefits of the DPT immunization program, preventing the kind of irrational alarm in which some people have engaged.

I do not intend to go on at length on this bill. I will support it, but for a different reason from that of the member sponsoring it. From speaking with several medical officers of health during the week, I gather there is support for the concept, again because they feel having the data would be important in counteracting any alarm that has been spread by members of the Legislature, doctors, families or whatever.

Anything that contributes to better health education and better decision-making by the consumers of this province is worth supporting. However, I want to make it very clear that I, as Health critic for this party, and members of my caucus are supporting this bill not because we feel any alarm about universal vaccination and protecting our children; we have and will continue to encourage this province to maintain

the vaccination programs and mandatory vaccinations.

**Mr. Henderson:** I rise with a slightly troubled conscience to address this proposal that physicians, nurses and pharmacists be required to report to their local medical officers of health any cases they encounter of severe reaction to the DPT vaccine given to infants and small children to protect them against diphtheria, pertussis and tetanus.

Ontario has so far been very well served by an extensive and effective voluntary program along much the same lines. This program, I emphasize, has been voluntary. The Ontario Medical Association very actively encourages and recommends that physicians voluntarily report any adverse reactions to all vaccines and drugs, not only vaccines against diphtheria, pertussis and tetanus.

The reports gathered in this way are published in the Ontario Medical Review and are sent to the federal bureau which licenses such vaccines. They are also sent, with the names of patients deleted, to the Ministry of Health, where adverse reactions to all vaccines as well as to specified drugs are noted in a way that may lead to suitable action to minimize the anguish which surely is attendant on many instances of untoward reactions.

For its own part, our ministry is instituting a program of reporting adverse reactions whereby medical officers of health will set forth instances of untoward reactions to vaccines and drugs and will share the results of those tabulations with the OMA.

Furthermore, the Hospital for Sick Children's immunology clinic operates a referral clinic for children who have had adverse reactions to vaccines or drugs. Among other things, it makes an assessment of how the immunization should be handled in the future for such children.

This voluntary program, which is not limited to DPT but applies to a large number of vaccines and drugs, has been effective and has led to a significant lowering of the incidence of untoward reactions.

As a legislator with what I hope is a very passionate commitment to the freedom and liberty of the individual, and as a physician who is well aware of the sense my medical colleagues have of being overlegislated and overregulated, I think twice before advocating any step that will override the voluntary nature of these programs of recording and reporting.

I must say this bill seems very un-Tory in its inspiration. Here we have a bill that physicians

will view as draconian in its extension of state control being put forward by the Tories and evoking reservations from the New Democrats, who call it into question; so it falls to me as a humble Liberal to put forward a more balanced point of view.

I did not expect to get away with saying that, but apparently I have some support in that opinion.

**Mr. Breaugh:** You're allowed to ramble on; it's private members' hour

**Mr. Henderson:** I have a troubled conscience in these matters. In saying this program works well, I worry a little. It is not good enough that it work well; it must work as well as any program we could devise. Untoward reactions to vaccines and drugs can be lethal.

**4:20 p.m.**

With our present voluntary system of reporting, there may be instances of a milder variety of potentially dangerous reactions going unreported. Perhaps the physician administers suitable early treatment, feels the problem has been well enough dealt with at a clinical level, knows the patient's condition is now stabilized, proceeds to other pressing clinical matters that seem to command his attention more earnestly and neglects his reporting obligation.

These instances of untoward reaction can, of course, be cumulative from episode to episode. In other words, the patient who has a relatively mild reaction to the first DPT injection may have a stronger one on the second occasion and a lethal one on the third. This occurs because the various antigens to which the patient is reacting lead to a state of sensitization in the body that increases with each successive administration.

If our voluntary reporting arrangement leads to the prevention of 99 out of 100 potentially lethal adverse reactions, we have done a good job. Yet the one death that is not prevented must surely command our interest as well.

As a physician, I know my medical colleagues feel—rightly, in some ways—that they are overlegislated and overregulated. I know the burden of paperwork and bureaucracy and the very untoward effect it can have on the mental set and clinical commitment of a busy physician. I would wish to be the very last to recommend any step that would increase this sense of bureaucratic encroachment that already plagues physicians to a point that leads to frustration, vexation and often anger.

Yet I also have training in public health and I know about the infrequent or rare statistic that is no less calamitous to a family that loses a child in



one of the tragic and absolutely medically unnecessary accidents that my colleague across the floor is concerned about and has told us about this afternoon. I did have occasion to speak to him informally before the House sat this afternoon and I know he has outlined some specific instances of patients having had severe and even fatal reactions to reimmunizations, patients who had previously had a reaction that occasioned less concern because the reaction was milder. Those tragedies are unconscionable and must be prevented.

I know that many physicians have a social as well as a clinical conscience. I know that we legislators are well endowed with social consciences, and our social consciences are reinforced on every occasion that we return to the polls to test our electoral mandates. I am not without reservations about this step because of the longer-term spinoff effects it may have on the work of physicians who feel so hard pressed to maintain the integrity of the physician-patient relationship with all that it means to their capacity to render compassionate and sensitive treatment.

Yet in balancing these many considerations, in weighing my empathy for the physicians of the province in the critical and exacting work that we depend on them to do and in being mindful also of the needs of our patients and our families and of the tragedies that have occasionally resulted from adverse reactions to reinoculations, I must, in balance, come down on the side of the measure that my colleague proposes.

I therefore advise that I shall be voting in support of the private member's bill introduced by my colleague the member for Rainy River (Mr. Pierce).

**Mr. Guindon:** I am pleased to join in this debate and I support the bill introduced by my colleague. As the member for Rainy River has pointed out throughout his careful and thorough examination of the issue, there are significant problems surrounding the use of pertussis vaccine. Though no one bill can completely eliminate all the concerns addressed today by my colleague, this bill requiring the reporting of adverse side effects is a clear, definite step in the right direction.

The bill will have three very important effects. First, it will put in place a long-overdue system by which Ontario can keep track of children who are adversely affected by the pertussis vaccine. At present there is no comprehensive, accurate and compulsory system that documents the appearance of severe reactions to the vaccine.

By requiring doctors and public health nurses to report to the medical officer of health any cases they encounter of severe reactions to the DPT vaccine given to infants and small children, we can develop a conclusive set of statistics that documents the benefits and risks of the vaccine. Without such a monitoring system, we will continue to operate without proper knowledge of the risks of pertussis.

The second effect of the bill will be to increase awareness that the DPT vaccine can harm children. We must monitor carefully each child's reaction to the vaccine. Making the reporting of adverse reactions mandatory will serve to place the onus on the medical establishment to watch carefully for and anticipate the possibility that the DPT vaccine can be harmful to some children.

As is clearly documented by my colleague the member for Rainy River, some children's adverse reactions to the DPT vaccine are being misdiagnosed as fleeting problems, such as teething pains. The passing of this bill into legislation will serve to alert medical professionals to possible adverse reactions that must be watched for.

The third effect of this bill would be to reduce greatly the chance of children who suffer severe reactions to the DPT vaccine being given subsequent shots. Because a child may be given a first shot by one person and a second shot by another, records of reactions may get lost in the shuffle. With a single and clearly outlined record-keeping procedure, doctors and nurses will be able to check to make sure a child has not had a negative reaction. In this way, a child will not be put in danger of being given a subsequent shot.

Ideally and quite feasibly, in the age of information technology, health professionals would merely have to check the database of the medical officer of health to make sure the child they are about to vaccinate has not suffered prior adverse reactions. We all realize that vaccines such as DPT are necessary and the benefits of those vaccines outweigh the costs.

I imagine it is very difficult for health professionals to accept that DPT shots could severely damage a child. While we must continue to protect our children's health through inoculations, we must ensure that the vaccine is very carefully monitored. If Ontario children continue to be given this controversial vaccine, we must put in place a comprehensive system for tracking adverse reactions.

I am thankful for the opportunity to participate in this debate and encourage my fellow members to join me in support of this bill.

**Mr. Breaugh:** I want to support the bill. I listened to the arguments as the bill was debated this afternoon and I am a little taken aback by the motivation presented by the member for Rainy River for putting forward the bill. It seems to me it is not a very carefully documented case for this piece of legislation. None the less, I do want to support it because I believe good intentions are at the heart of the matter. It is something that does need to be done.

The other reservation I have about this bill is that it is limited to one problem. I think the concept is one that needs to be established. In a sense, we establish that by supporting the bill. It is a little complicated because we live in a society where we trust our physicians to a great extent. We often get ourselves into fields such as this, where actual knowledge of a subject matter requires considerable training and information. We take the advice of doctors, for example, that an immunization program is a necessary and desirable thing to do.

**4:30 p.m.**

We then begin to encounter, as we have in this instance, some identification that, as a general rule, immunization may be a very good thing but it does generate what might be called side-effects, or particular problems to individuals, which are serious enough that we should take note of them.

What I find supportable in the bill is the concept that we have, on a large scale now, an immunization program in place and operational. It is not impossible, but it is difficult for individual family members, individual children, to be excused from that immunization program.

I supported that move because I think in something such as this an immunization program must be broad if it is to be effective. In other words, if we are supportive of the concept that we have an immunization program for schoolchildren, it is not very sensible to say we will hit only 60 per cent, 50 per cent, 40 per cent or 20 per cent of schoolchildren. If, for example, it turns out to be a communicable disease, we have not really resolved the problem. So we need, and we support, a mandatory immunization program.

With that goes the other shoe, the other obligation, which is that when we have in place a mandatory immunization program then we also have to have mandatory reporting of problems that might come about. That, in essence, is what is called for in this bill on one particular item.

I believe that is the other part of the equation. I believe members ought to support the bill on that basic principle. I believe most members on all

sides of this assembly supported the concept that we must have an immunization program at work, in particular in our school system, which gets to most, if not all, of the school population.

That makes good sense to me. However, I also think the obligation has to be there to have a reporting system which effectively monitors that immunization program. Does the drug in question serve its purpose? Does it have side-effects? Are there indications that one should be cautious with it?

As other members have pointed out, in other jurisdictions the reporting process is more formal than we have here. Once we have accepted the first idea, that everybody gets the shot, then I think we also have to accept the second idea, that every case where there is an indication of a problem occurring has to be reported and monitored.

It seems to me there will be those in the medical profession who say, "This is going to cause more paperwork, more problems." But I would point out to them that part of the respect and responsibility which we as a society give to them is that we take their recommendations about what kinds of drugs to use for immunization programs, and we take their recommendations that an immunization program to be successful must get a total population. So essentially they are the experts who advise us in that manner.

With that kind of expert status comes the other part of the process, and that is the responsibility to monitor the effect of their advice on a society, to report, to analyse as best they can exactly what the effects generated by it are. I believe that on a large scale is an important concept to establish. This bill establishes it on a smaller scale.

I think there are other matters we now have to consider, which many members are aware of as well. There is the whole matter of confidentiality, a problem which was not resolved by the previous administration. At least they talked about it and set up royal commissions on it, so we now have some concept of all the problems related to this information-gathering process.

We also have a related piece of information. A freedom of information and protection of privacy bill is now before the Legislature, so we have some measure of how a new government might approach the same problem.

There are difficulties surrounding all of this gathering of information and analysis that we have to recognize, but in my view they are not insurmountable difficulties. They are problems that can be resolved and we are going to go to work now to try to sort them out. We are going to



sort out confidentiality, who gathers the information, how that information is used, how it is analysed and how it might be turned back in the system to change it around again. All of those are important things.

But to get back to the basic, simple principle of this bill, I believe it is an important one and one which is supportable for a variety of reasons. The member has done us a service in putting it in front of us. It is something we should be aware of and I suspect in this case not too many people are. That is the first service that is provided.

Second, he has assisted us somewhat in identifying that there is a need to gather up this information here in this jurisdiction. Our research people, in some research reports they did on this, went to other jurisdictions and gathered information. As someone who used to be the Health critic for the party, it was a regular occurrence for me to try to gather information out of reports done in Sweden, Britain and elsewhere in the world. They did the same kind of thing here.

The problem I have with getting the information that way is that we get paper information. We do not know how that information was gathered. We do not know how that report was put together. We do not even know the organization that put the information in the report. It is useful information and cannot be disregarded, but it is not exactly first-hand information. At best, it is a bit of an academic boiling-down of what went on in their jurisdiction.

This bill would begin—and it is important that we begin this process even in this limited way—to provide us here in Ontario with the same kind of information. Then we could do comparative studies of what happened in Sweden, London or wherever, with Ontario.

For all of those reasons, the bill is supportable. I would have preferred to see a bill which was a bit broader in scope and which addressed some of the larger questions that I tried to touch on in the debate this afternoon, but the bill itself is a good first start. It addresses what I believe to be a serious problem and it will be a useful exercise for physicians and, more important, for the people of Ontario.

**Mr. Ward:** I would like to congratulate the member for Rainy River for bringing this issue to the attention of the members of the Legislature. It is a very important issue. I can understand, as it relates to the specific circumstances of some of the honourable member's constituents, that he must have some pretty strong feelings on it.

No one on this side of the House would want to block the progress of legislation such as this. It makes more information readily available to the public and to the medical profession at large.

The one concern I have in dealing with an issue such as this and in this manner, is the tendency to take facts and figures in isolation. I am sure the member opposite recognizes that by doing so, there is the pitfall that those figures can distort the realities of the situation and cause some alarm among consumers and parents within this province.

Federal legislation is in place which makes federal approval mandatory for any substance or drug that is approved for use. Second, it is mandatory that any adverse effects that result through the use of those drugs have to be reported.

Notwithstanding that this federal legislation is already in place, no harm can come by way of a reporting mechanism within this province through legislation such as this or the Health Protection and Promotion Act, though I am not at all certain that the medical officer of health is the appropriate forum. None the less, the legislation does bring further attention to an issue that is under active consideration by the Ministry of Health.

With regard to the concern about the distorted figures and the odds on adverse side-effects, the one concern I have is that there are significant numbers of people in this province who object to any mandatory program even if it is deemed to be in their best interest. We saw the same sort of thing with seatbelt legislation. There are those who argue that mandatory immunization is an infringement on an individual's rights.

**4:40 p.m.**

The member for Rainy River did indicate the odds of an adverse side-effect to this kind of immunization. The problem with that is it heightens alarm and may even create further reluctance from people out there who have not had their children immunized. That is the unfortunate part of dealing with information in the absence of comprehensive statistics.

Thanks to mandatory and broadened immunization programs, there are many diseases throughout the world that have been virtually eradicated. The diseases covered by this legislation are well on the way to disappearing.

I am sure we will reach a level where the potential of contracting one of these communicable diseases actually becomes less than the odds of suffering an adverse side-effect. At some point, that determination obviously has to be

made, but the important thing to bear in mind is that we have not reached that level as it relates to this vaccination.

The member for Rainy River has done the House a service by bringing some attention to this matter. I do not question his motives for one minute. He obviously has constituents who have suffered some terrible hardships, heartbreak and grief. I, too, have a constituent whose child ended up with severe mental retardation as a result of being immunized, but these have to be put in the proper context of what is of benefit to the general wellbeing of the public. Certainly, from time to time, there is an adverse consequence that someone must bear.

I am pleased to speak in support of the legislation and also to let the member know the Ministry of Health is very actively looking at these issues, not only as they relate to vaccination but also in terms of the impact that medical practitioners have to face when this sort of reaction takes place and what protection is available to them.

**The Deputy Speaker:** Is there any other honourable member who wishes to participate in the debate? If not, the member for Rainy River has some time reserved.

**Mr. Pierce:** I am only sorry I do not have longer to summarize what has already been said in the House today. I want to thank the members who have spoken in favour of the bill. I certainly did not intend in my remarks to indicate we would operate on scare tactics. One only has to see the reaction to the vaccine in particular cases to know they come with a lot of feeling in presenting this kind of a bill.

The member for Oshawa (Mr. Breagh) indicated the bill does not go far enough. My intention was to go into the whole inoculation process in depth, but that would have just cluttered up the bill, and I am afraid it would have been stalled. I ask the support of the House for this bill.

**Mr. Speaker,** on a point of privilege: If the House gives me the pleasure of accepting the bill and passing it, I would request—

Interjection.

**Mr. Pierce:** I am told no, Mr. Speaker, but let me first make my point of privilege. I would ask that this bill be referred to the select committee on health and pursued through standing order 64(m). I would ask that the majority of the House support this request.

**The Deputy Speaker:** This is not an appropriate point for a point of privilege.

Would the member notice that his time has expired?

**Mr. Pierce:** Yes.

## ENERGY CONSERVATION AND RENEWABLE ENERGY RESOURCES

Mr. Charlton moved, seconded by Mr. Philip, resolution 19:

That in the opinion of this House, since the government of Ontario has in the past failed to adequately promote and assist in the implementation of energy conservation and renewable energy alternatives, and has thereby failed to serve the best interests of the people of the province, therefore the government of Ontario should take immediate action to ensure that the Ministry of Energy fulfils its responsibility to the people of Ontario in the areas of energy conservation and renewable energy resources, their promotion, availability and programs to assist in their implementation.

**Mr. Charlton:** I became the Energy critic of the New Democratic Party caucus after our recent election in the spring. I have been an avid follower of energy issues for many years. Over the course of the last four or five months, I have become extremely disturbed by what appears to be a reversal of what we saw happening in the late 1970s and early 1980s in this province in relation to energy, its use and ultimately its conservation and, therefore, extended life.

My motion refers to both the former and the present government. I realize members of the former government party, the present official opposition, will not be entirely happy with my critical comments, but I would like them to be taken in the context of some positive realities that confront us in this province. At present the vast majority of the energy resources we use in Ontario are finite; they are not renewable. We should, therefore, be concerned about them and we should be working on an ongoing basis to ensure their continued reduced use at all levels in our society.

During the late 1970s and into the early 1980s, we saw a significant governmental and public reaction to an energy crisis that was created by political means, the oil shortage and the dramatic oil price escalation that occurred largely as a result of the Organization of Petroleum Exporting Countries cartel. Along with oil, almost all forms of energy escalated in price, to varying degrees obviously. None the less, they did escalate dramatically.

We saw a significant public response to that. The public started to switch from larger,



inefficient cars to smaller, more efficient ones. We saw public demands for government programs to assist people with conversions of heating in their homes, insulation programs and so on. The programs that were implemented, most of them federally but some provincially, started us gradually in the right direction in energy use and conservation.

**4:50 p.m.**

Over the course of the last couple of years, we have seen a reversal in that trend. That reversal upsets me, almost haunts me, in terms of what we as a society are doing to ourselves and to our future. The progress we made in the late 1970s and early 1980s in energy conservation, and our experiments, some very successful, with alternative energy sources have only scratched the surface of the potential we have and the potential we could achieve in this province and across the country.

We have seen the scratching of the surface in the realization that our homes, for example, which we heat with finite resources, again for the most part, can be made much more efficient. We have had excellent demonstration projects in this province and across Canada and, for that matter, around the world. We have had some right here in Ontario and in Toronto. Some have been supported by the Ministry of Energy.

Some of those projects have, in fact, been created by the Ministry of Energy. However, if we look in realistic terms at what we have accomplished out there in the real world, in the homes where real people live, it is minimal and the progress with respect to moving from minimum to maximum has stalled.

We saw the former government reduce its support for a number of useful and positive programs it had in place. To date, we have had no major statements and no major initiatives announced by the new minister to elevate some of those existing programs to new levels and to announce the implementation of new major initiatives on conservation and alternative renewable energy resources.

We hope those will be coming shortly. Essentially the reason I chose this topic to debate today was a hope we would be able, in the spirit of co-operation we have had on so many other issues with the new government, to stimulate a rapid growth in initiatives to encourage energy conservation and to promote the development, promotion and implementation of alternative renewable energy resources in this province.

I emphasize those last two aspects because we have done some good work in the past with

respect to studying and reviewing research that has been done elsewhere in Canada and around the world in relation to alternative renewable energy sources, but we have done extremely poorly when it comes to implementation.

We have seen major projects with wind generation and cogeneration sponsored by the Ministry of Energy. We have seen significant research projects around solar energy, but we have seen no effective implementation of those technological potentials in the province, with the exception of the demonstration projects about which we like to talk so much.

In Ontario, we have the resources to perform miracles where energy use is concerned. Again, I have no idea what the Minister of Energy (Mr. Kerrio) and the present government may have in their minds that they have not yet said, but publicly the only things going on in relation to energy are Ontario Hydro's advertising campaigns; campaigns around talking furnaces and cold floors, encouraging Ontario residents to switch their home heating from one energy source to another, both of which use finite, nonrenewable resources.

I was absolutely astounded and hurt by the way in which Ontario Hydro presented that program both publicly and before the select committee on energy. They presented it in a fashion that was to reflect some positive approach to energy use in Ontario. They presented it and tried to sell it as a conservation program.

Surely at least the new Minister of Energy understands that switching from one type of heating in an inefficient home to another type of heating in an inefficient home is not energy conservation. It is Ontario Hydro's drive to find ways to use up the electrical energy surplus it currently has in Ontario and to make its predictions for certain needs in the future come true. Switching fuels and switching the approach to heating a home is not energy conservation if one still ends up with an energy-inefficient home at the end of the process, having spent probably several thousands of dollars on the conversion.

The biggest single problem we have in Ontario in relation to energy conservation and alternative energy sources is the lack of information that the public has in its hands and in its head. I was astounded during the course of the hearings in the select committee on energy that several members of that committee were absolutely unaware of the potential for energy conservation in a home and absolutely unaware of the problems associated with that conservation.

If the members of the Legislature—members of the former government party and members of the present government party—are that unaware, where is the public? Where is the information that the people of Ontario need to make conscious, realistic and positive decisions about their energy future if those of us here, supposedly at the centre of the debate in this province, know so little?

We need commitments from this government to make rather significant approaches to promoting energy conservation and alternative energy uses. We need, as well, a number of initiatives from this provincial government in terms of programs to assist in the implementation of both conservation measures and alternative energy measures.

We are in a situation where those sectors that are currently promoting energy use in Ontario—at least those that have the money to promote it in a large public way—are those that are promoting the traditional ways of dealing with energy use, those that are, in fact, promoting inefficiency and continued high use of energy.

Literally thousands of entrepreneurial small companies are developing in Ontario that are prepared to provide to this province major gains in conservation and major innovations in efficient alternative energy technology. Those small businesses in this province are trying to compete with huge multinationals and with Ontario Hydro in the promotion of the direction of energy use in Ontario.

All of that, in spite of all the positive things these companies are prepared to do, is counter-productive because they cannot compete in the information market, the advertising market and the promotional market. They need assistance and they are going to have to get this assistance from this government in the policy decisions it makes around energy and our energy future in Ontario.

**5 p.m.**

During the course of the public hearings on Hydro, specifically on Darlington, one thing that became very apparent was the concern about jobs, specifically the construction jobs at the Darlington nuclear power site itself.

It is very clear that a large number of jobs—albeit they are temporary jobs, but there are about 5,000 construction jobs—are tied up at the Darlington site. When one is trying to deal with a question such as Darlington it becomes very difficult to ignore so many jobs. However, in connection with this province's energy future, we have to start looking more realistically not

only at our future energy needs but also at the jobs we can create through the expenditure of public funds.

I will give a couple of examples of what I am talking about. When the construction of the Darlington project is finished it will create about 300 permanent jobs for the expenditure of almost \$11 billion. An equivalent investment of \$11 billion in any number of other private sector initiatives, such as Bell Canada, would create more than 50,000 jobs—not 300, but 50,000. An equivalent investment in the auto industry in Ontario would generate about 165,000 jobs.

One of the things we heard during the course of our hearings on energy and Ontario Hydro, something we heard from Hydro itself, was that we need to proceed in the very high cost way in which we have proceeded in the past because conservation and alternatives were not happening in Ontario. Even where they were happening they were not happening fast enough to replace the need for plants such as Darlington and future developments after Darlington.

Yesterday, there was an article in the *Globe and Mail* in which Mr. Campbell, the chairman of Ontario Hydro, predicted that by the time the Darlington nuclear power plant is finished private generators will be paid more for their electricity than the cost of Darlington's energy. The buy-back rate to be paid to small, independent producers will be higher than the cost of Darlington power. That was Mr. Campbell's comment to the *Globe and Mail* yesterday.

The bottom line is that if that is true, we must tell the people and industries of Ontario in 1985, not in 1992, so they can compete to bring on alternative energy sources in the time frame required, by 1992.

When we head down a road of either energy conservation or consideration of alternative energy sources, the conservation and alternative energy sources have to be able to compete on an equal footing with the traditional sources of energy in this province; the latter are less efficient but have a gigantic momentum because of the institutions that promote and provide them. The small independents, which may either produce alternative technologies or assist us in putting conservation in place, do not have that gigantic momentum with respect to the size of the institutions from which they operate and promote their products and their approaches.

We have a serious problem. We knew in the late 1970s that declining energy resources had to be dealt with. Over the past couple of years, because of a levelling and dropping of prices, we



seem to have forgotten that problem; but the problem is still as real as it was in 1979. We have to deal with it.

Our energy future is at risk. We need to be able to sit down as a province and plan our energy future around the economics of our present situation and of our future. We also have to plan around the realities of future energy shortages if we do not start now to proceed in the direction of implementing what we know is available in the form of energy conservation and alternative energy sources in Ontario.

**Mr. Haggerty:** I want to endorse the thoughts behind the motion put forth by the member for Hamilton Mountain. The key line is energy conservation and renewable energy alternatives.

I recall the days I sat on the select committee on Ontario Hydro affairs. One of our reports was in 1976. The chairman then was Donald MacDonald, a member of the New Democratic Party. A number of good recommendations were put in the report.

The Ontario government used one that called for "increased insulation standards in all new homes to a level that is justifiable on the basis of expected future energy prices." The previous government and the federal government moved in that area; they provided sufficient grants, and many home owners did share in the benefits of that program and reduced their energy costs.

Another one was that "the Ontario government make available additional research funds for the development of energy-saving technology." The previous government failed the province and its citizens by not moving in that direction. In some areas it was of some assistance, such as the area of new types of electric motors and increased electrical efficiency in new appliances, but it is a matter that could have gone further.

One of the other committee recommendations was that "the Ontario government make financial incentives generally available to encourage investment in energy conservation related to equipment in the commercial sector." We look at that as a cogeneration program. The mover of the motion was talking about the Ontario Hydro chairman, who had indicated that the buy-back in cogeneration will not warrant any further consideration for development in this area of additional energy without building the heavy, costly nuclear plants.

The committee also recommended that the Ontario government establish energy efficiency standards at an economic optimal level for all new commercial structures. We can talk about the energy loss in this building. We do not have

any thermal-pane, double-glazed or storm windows in this building. I can remember my office up in the north wing by the library; it used to have an inch of ice on the window on the inside. On one side of the building, one thought one was down in Florida, and on the other side, one thought one was up in the Arctic. That is how cold it was. This building alone is an example of the loss of energy. If the government thinks about looking forward in the area of energy conservation, it has an example here.

In the annual report of 1984-85, the minister has a page with pictures on it where he talks about energy conservation. It shows shots taken looking down Bay Street, with all the ivory towers, the bank towers, down there. One can look at the pictures, taken at night-time, and see the blackouts, one might call them. The lights are turned off in the government buildings around Queen's Park, but when one looks down towards the lakefront and the CN Tower, it is just a glow of lights.

**5:10 p.m.**

It is great to say we are going to apply voluntary measures here in energy conservation—and we do get some industries that will look in that area—but when one looks at the ivory towers that are lit up every night, one wonders. If any place were going to be looking for conservation or saving money, one would think it would be in the banking institutions down on Front Street.

A number of good things are suggested in the report. One is that Ontario Hydro should consider the design of its rates to be an important tool in furthering reasonable load management objectives. That is a good. I do not think Hydro has moved too much in that area, nor did the previous Minister of Energy.

It also says Hydro should develop immediately a program specifically aimed at reducing peak demand by a target amount of one per cent per annum to 1985. If we had had some leadership from the previous Minister of Energy in this area we would not have to be building the Darlington nuclear plant. That program alone would have saved about 4,000 megawatts, but the previous government did not take that recommendation into consideration.

In chapter 3, about rethinking the generation plan, it says Ontario Hydro should change its planning process to emphasize meeting Ontario's electrical energy needs after implementation of conservation and load management programs with a minimum amount of new generation that is consistent with sound planning. We have not seen any of that, not to this day.

**Mr. Andrewes:** Not yet.

**Mr. Haggerty:** No. We will see it.

Another good recommendation was that Ontario Hydro, in developing a new generation plan, should ensure that small hydraulic sites are used whenever feasible and that the potential of solar energy is appropriately tapped.

The chairman of Hydro and other witnesses who appeared before the select committee presented Hydro's response to this recommendation. With respect to small-scale hydraulic potential, they said intensive surveys have been conducted by the Ministry of Natural Resources—at least somebody is looking at this area—on additional potential for hydraulic developments of 10 megawatts or less. Roughly, 1,050 sites have been identified, ranging in size from 0.1 megawatts to 10 megawatts, as documented in the provincial list of water power sites. The Ministry of Energy estimates the potential of small-scale hydraulic is roughly 750 megawatts on average; this translates to roughly 1,270 megawatts of installed capacity.

That tells us the Minister of Energy has looked at this area, but he was not listened to by the previous government. It is to be hoped that this government will look into this area, as I am sure it will, and that some action will be taken. Even smaller plants provide security in the system.

If we have to look at the construction of nuclear plants, particularly Darlington, we are putting our eggs all in one basket; 70 per cent of our electric energy will be coming from nuclear plants. There are some faults with nuclear plants, particularly in the breakdown of the plant facilities themselves. We talk about the jobs created in the nuclear industry, and there are some, but let me point out that the production on a manpower basis at Sir Adam Beck generating station will far outweigh what is put out by the fossil-fuelled plants or even the nuclear plants.

There is an area here that we should be looking at. There are sites on the Niagara River that should be tapped today. With the new technology in small hydraulic turbines, one could almost harness the whole river and supply additional energy on this side of the border as well on as the American side. The minister has indicated that some direction will be given to Hydro to renovate or rebuild one of the older sites at Niagara Falls so it will provide an additional 500 or 600 megawatts. We are moving in the right direction in that area.

The other area, when we look at conservation instead of going to heavy expenditures, is that the previous government has failed in the past to look

for a national energy grid with the provinces of Quebec and Manitoba. A good source of energy can be purchased there for cheaper than what it costs Ontario Hydro to build plants such as the Darlington generating station. If Hydro had taken the recommendation of the previous committee in this area, we could have been buying energy from Quebec through the inter-connection lines that are already there.

The Minister of Energy should be looking to buying hydro from Manitoba. If we are looking for development in the northern part of Ontario, we will not have industry moving in that area until there is a sufficient supply of cheap energy. They will still come down here and say, "We had security in the transmission lines"—

**The Deputy Speaker:** Might I remind the member that his time is up?

**Mr. Haggerty:** I was just getting warmed up here. I support the resolution put forward.

**Mr. Andrewes:** Now that we know the official position of the government on this resolution, it is very helpful to me in making my remarks.

**Hon. Mr. Kerrio:** This is private members' hour.

**Mr. Andrewes:** If I heard the honourable member correctly, he said his party would be supporting the resolution. That is a moot point.

**Hon. Mr. Kerrio:** This is private members' hour.

**Ms. E. J. Smith:** Members may say what they please.

**An hon. member:** He did not say "he"; he said "his party."

**The Deputy Speaker:** Order.

**Mr. Andrewes:** I am pleased to see the member for Niagara Falls, who is the Minister of Energy and the Minister of Natural Resources, present in the House for this debate.

Let me say at the outset that I will not be supporting this resolution for very obvious reasons. In my previous capacity as the Minister of Energy for some 19 months, the member for Hamilton Mountain would understand that the thrust of his resolution might reflect on the mandate that I, in my former capacity as the minister, undertook in the day-to-day operation of the Ministry of Energy.

Nevertheless, I recognize the honourable member's point. I recognize the position that he and his caucus have taken; they have taken it very honestly and very aggressively on many occasions. We could agree to disagree on such areas



as whether the production of energy becomes a priority over things such as saving and reinvestment in the energy business, whether the cost of energy production takes priority over other things and whether the question of security of supply becomes a priority over the kinds of things the member has alluded to in his comments.

I think in my previous incarnation I was an advocate of energy conservation, and I must agree that the cheapest barrel of oil, the cheapest gigajoule of natural gas—I do not need to elaborate on the term “gigajoule,” do I? No, I did not think so—the cheapest kilowatt of electrical energy we can produce is the one we save.

The thrust of the resolution talks about energy conservation and the use of renewable energy, but if one is to approach this subject from the standpoint of where we go from here, one has to look at it as a matter of accepting the necessity of changing lifestyles and of our need to change our lifestyle and our approach to conservation.

As the minister knows, it is easy to insulate an attic. It is easy to install storm windows. It is easy to buy plastic at the local Cashway building centre to put over the windows for the winter. Those are the easy things to do. The next stage is more expensive; it requires extensive renovations to one's dwelling or one's business operation. The next stage may alter the whole lifestyle and life pattern of the family living in that household environment or of the people working in that building.

**5:20 p.m.**

I want to tell the minister, because he is here and I appreciate his being here, that when we held our hearings of the select committee out at Pickering, we were invited to listen to a group of young people from a high school in Cornwall. Those individuals very forcefully presented their points of view about the Darlington plant, Hydro's mandate generally and the need to address the whole question of energy conservation. They talked about the preservation of our natural resources, our environment and, indeed, the preservation of our cash, how we should not put ourselves in debt for generations to come. They stressed the whole question of energy conservation as an important component of their program and urged us to accept that position.

In questioning these students, it was interesting to find that once we got beyond the exotic conservation aspect—once they told us about the addition their parents put on their house the previous year incorporating the principle of passive solar and triple-glazing and all of these

sorts of things; once they got past those cosmetics—those students were hard pressed to tell us about the conservation measures they as individuals had implemented in their homes to meet the sorts of things they were asking us to do.

They were hard pressed to tell us that they were prepared to alter their lifestyles, throw away the hair dryers, take two-minute showers instead of 20-minute showers, give up the consumer goods and services that were energy-intensive and were an important component of their day-to-day lives.

That is quite significant, because if we are to make those substantive changes in energy consumption and achieve those goals—and they are very important goals—it is incumbent on us to realize that it means accepting some alteration in our lifestyle and some change in our day-to-day pattern of living.

The member for Hamilton Mountain in his earlier remarks talked about the demonstration projects the Ministry of Energy had undertaken. They are, indeed, numerous. There have been many activities over the years that clearly set out to the public what options are available in energy conservation and renewable energy.

The minister may want to consider this suggestion in his program. What is needed now, clearly, for the energy companies in this province, for members as private citizens selecting our options, is a very clear economic criterion so that we can ask the very detailed questions about how many dollars are going to be saved if I do this versus how many dollars I will have to invest in order to do it. Those are important things.

It is not advisable to cloud this issue with histories of other jurisdictions where taxing measures and programs are different. It is advisable, in my view, to present clear criteria that people can handle, people can look at and people can weigh in making their decisions.

There are substantive opportunities in energy conservation. Within the private sector there are many companies willing to complement public policy, to enhance public policy, particularly in working with public utilities.

I was visited by a representative of such a company just this morning. He indicated to me that he was now working with the Ontario public utility, the people's electrical utility, Ontario Hydro. He also indicated to me that Consumers' Gas was now involved in a similar type of conservation joint venture with the private sector.

This is the kind of momentum that is building and that needs encouraging. These companies are acting. They are prepared to act aggressively.

There are some 3,000 consulting engineering companies in Ontario, all of which would be anxious, with the right signal, to proceed. These sorts of things should happen. The demonstrations, as I mentioned, are clearly there for assessment and they need that kind of strong economic criterion.

Finally, I allude to a report that outlines the experience in another jurisdiction with what they call interventions in the energy conservation area. They talk about hard interventions, where a utility moves in and actually puts blankets on hot water heaters, versus soft interventions, where they tend to remind one by way of television ads or ads in papers that something is a good thing to do. The conclusion is, quite clearly, that the advertising approach is of dubious value in terms of demonstrated energy conservation. Hard interventions are far more promising than soft interventions such as advertising. That is significant.

**Mr. Speaker:** The member's time has expired.

**Mr. Andrewes:** Thank you.

**Mrs. Grier:** I rise with enthusiasm to support the motion before us at this time, moved by my colleague. I confess that upon coming to this place last May, I did not know a great deal about the functions of the Ministry of Energy. Being appointed to the select committee on energy, and spending September, October and some other time listening to discussions and presentations about Ontario Hydro and energy, I heard a great deal. However, I have to confess I ended up not knowing a great deal more about the Ministry of Energy than when I began.

I did learn what the Ministry of Energy does not do. One of the things it obviously does not do is exercise any independent influence in the policies of the electricity sector of this province, which amounts to 16 per cent of the energy used in Ontario. There is very little evidence of any role of the Ministry of Energy as an independent agency reviewing alternative energy policies and deciding, in particular instances or sectors, which kind of energy would be most efficient and most useful.

One of the other things that became apparent from those hearings was that there was a lot of exciting and competent work being done in Ontario around the whole question of energy conservation and increased efficiency. There are a lot of knowledgeable people at our universities, such as Waterloo and Trent, in independent groups and as consultants, who have done extensive work and are highly respected on the

question of energy efficiency. Apparently the lessons they are willing to teach us have not been learned by the governments of this province in the past.

No serious attempts have been made at introducing comprehensive conservation and energy-efficiency policies. We have a very high level of energy use in this country. Canadians use one sixth more energy per capita than the Americans and we use twice as much energy per capita as do the Swedes.

I am disappointed that my colleague the member for Lincoln (Mr. Andrewes), the former Minister of Energy, does not feel he can support the motion before us today. I would have hoped that in his new incarnation he perhaps would have not felt it necessary to defend the actions of the past.

We have, on this side of the House, a number of born-again environmentalists and I had hoped we might have had a born-again Minister of Energy who could have supported a change in direction of the ministry he previously headed. Perhaps the tenor of his remarks demonstrates what has been wrong. He concentrated entirely on conservation in the residential sector, and that is only a very minor part of the total energy use of this province.

From the figures produced by the new minister in his Energy 2000, we see that in the total energy demand in the province in 1984, and this is in petajoules—a term I am sure I do not need to explain—one sixth of the end use is by the residential sector.

**5:30 p.m.**

Most of the efforts of both the federal and provincial governments have been concentrated on promoting conservation in that sector, with no great emphasis being placed on the industrial, commercial and transportation sectors and what can be done to save much greater amounts of energy in those fields.

My colleague the member for Etobicoke (Mr. Philip) has recently advised the minister of a fluorescent-regulating electronic device available from an industry in his riding, which he has suggested be installed in government and Ontario Housing Corp. buildings.

We do not have any stringent energy-saving building codes in this province. We do not make any attempt to produce more efficient vehicles. We do not significantly promote the gains to be made by energy efficiency in the industrial sector. We have to think in terms of what kinds of incentives we can offer to persuade large-scale owners of property, be they commercial build-



ings, apartment buildings or factories, into retrofitting and conservation. I suggest we ought to have a conservation loan program for all sectors, whereby low-interest loans could be made available to those who wish to take advantage of them to increase the energy efficiency of their buildings.

When it comes to retrofitting, we ought to be encouraging the private sector, so dear to my colleagues in both the other parties, to become involved, as it has in other jurisdictions, in promoting with large owners of industrial or commercial properties that a company would retrofit and share in the energy savings to be gained by so doing. We have not had any programs from the Ministry of Energy encouraging that kind of activity. If the savings to be realized by retrofitting some of our older buildings were pointed out and made plain, we would find companies springing up willing to get into that kind of business.

In my riding, I was struck recently by looking at an older apartment building, built in the late 1950s, with single-paned windows, all of which were steamed up on a cold day because people were turning up the heat to maintain the temperature. How much more efficient it would be if the landlord had been encouraged to retrofit the building with double-paned windows and thereby cut down on the energy usage.

There are enormous savings to be gained by consumers. There are savings to the province by avoiding the capital expenditures of the enormous generating plants we are faced with, not only in Darlington but also in the discussions Ontario Hydro is having about extensive hydro projects and Sir Adam Beck III, or whatever it is to be called. It is time we, as a government, took a serious look at the potential for conservation and efficiency and made some definite moves in that direction. I look to the new Minister of Energy and his department to show leadership in that fashion. I hope all parties will support the resolution before us today.

**Ms. E. J. Smith:** I would like to make a statement in response to the resolution introduced two weeks ago by the member for Hamilton Mountain. The programs of the Ministry of Energy are very valuable to the people of Ontario. One of the ministry's vital functions is to provide the government with advice on energy policy. This advice ensures that Ontario's energy consumers, large and small, continue to have access to secure and reasonably priced supplies of energy.

Our province depends on this energy and most of it comes from outside Ontario. Our industry needs reasonably priced, reliable energy supplies to stay competitive, and our society needs it to maintain its admirable standard of living.

The public is probably not aware of the tremendous benefits it receives as a result of this sound energy advice. Its influence on the taxpayers is substantial but quite often indirect. However, the Ministry of Energy also has a wide range of programs and initiatives which have a more direct impact on the people of Ontario. I would like to mention a few of these programs today.

As members may know, the Ministry of Energy was recently reorganized to better position itself in a fast-paced and changing energy environment. Apart from its role of advising the government on policy matters relating to energy, the ministry has been grouped into four broad program areas. One of these areas addresses conservation and energy initiatives within communities across Ontario. This part of the ministry is responsible for programs such as HeatSave and HeatSave North. I am sure most members are aware of the ministry's HeatSave clinics. Most of them have probably seen a clinic either in or near their own community.

The HeatSave program offers free expert advice on energy conservation to home and automobile owners. Since the program began, thousands of Ontarians have visited the clinics, which are offered in northern and southern Ontario in French and in English.

More recently, ministry staff have been responsible for Draftproof Ontario, a program that employs young people to weatherize the homes of low-income families and seniors. This program has had an extremely successful year, with major program activities in Toronto, Ottawa and other centres.

This area within the ministry is also responsible for providing assistance and energy information to teachers and educators across Ontario. For example, the ministry has developed a play about energy conservation called *The Conserving Kingdom*. The play is now in its second year and has already been seen by more than 50,000 Ontario schoolchildren. This winter for the first time a French-language version of the play will tour northern Ontario. As well, the ministry has plans to film the play in both English and French so that its impacts can be even wider.

The ministry supports energy education in Ontario in many other ways. It also provides assistance to school boards and other public

institutions across the province to encourage them to substitute more plentiful fuels for oil when heating new buildings.

The ministry also has the responsibility, in co-operation with the Ministry of Government Services, for the program that encourages energy management in government buildings. In just nine years, this program has saved the taxpayers of Ontario more than \$70 million.

The ministry works to help municipalities and local businesses cut their energy costs as well. It has a program to help religious institutions cut their energy costs, a program in which more than 1,200 congregations in Ontario have participated since 1981.

I could say a lot more about this one group within the ministry, but let us take a look at what the ministry is doing for Ontario's industrial and transportation sectors. In the transportation area, the ministry has a program to encourage the adoption of alternative transportation vehicles. About a month ago, for example, the ministry inaugurated a program in co-operation with the federal government, Union Gas and the Hamilton Street Railway Co.

In this project, six diesel-powered buses in Hamilton are being converted to run on natural gas. The project will assess how the buses perform in daily service and will provide some much-needed data on the potential of natural gas as a transportation fuel.

A week ago the first bus underwent its load test. I understand it carried the equivalent of a full load up Hamilton Mountain in great style and that the Hamilton Street Railway is very enthusiastic about the bus.

I hope that in introducing a resolution that is critical of ministry programs, the member for Hamilton Mountain does not include this valuable Hamilton project, one that is going on right in his own backyard. Projects such as this one are indeed valuable to all the people in Ontario. They broaden our perspectives on energy and provide us with some elbow room, some energy alternatives for Ontario's future. A similar demonstration program is under way in Ottawa, but that one involves converting buses to run on propane.

The ministry's industry group has also developed a program that encourages the development of Ontario's rapidly expanding small hydro industry. During the past few years the potential of small hydro has been well established, and now the minister is actively encouraging its adoption in Ontario wherever it can be a useful alternative.

**Mr. Foulds:** We will have to wrestle Hydro into line to do that.

**5:40 p.m.**

**Ms. E. J. Smith:** We will do that also along the way.

Several municipalities and conservation authorities across the province have already taken advantage of this program. As well, a special small northern hydro program is available to benefit remote northern communities, tourist outfitters and lodge operators.

The ministry also has programs designed to encourage our agricultural industries to be more energy-efficient. These programs have involved such things as monitoring energy use on the farm, installing more efficient grain dryers, retrofitting commercial greenhouses and recovering waste heat from barns for heating farm houses. These are just a few of the very practical and very popular programs in the group.

The ministry is also aware that energy technology is changing very rapidly. One of its goals is to keep Ontario on the leading edge of this technology by encouraging more research, development and demonstration by the private sector, universities and other agencies.

Last Monday the Minister of Energy announced the new \$3-million program called Enersearch. The program is designed to encourage more energy technology research, development and demonstration by assisting projects with up to 50 per cent of the the proponent's net cost. A wide range of technologies will be included in Enersearch. The beneficiaries of this government support are the people of Ontario.

In the past few years the ministry has worked closely with the federal government and the Canadian Home Builders' Association to promote low-energy housing. Under the R-2000 housing program, the ministry has helped increase the awareness of low-energy housing among the general public and the construction industry. Thanks to these efforts, special courses have been developed for builders in low-energy housing techniques.

Province-wide open houses have introduced literally thousands of people in Ontario to the R-2000 concept. Activities such as this are not only valuable but are vital to the province's interests. They enable Ontario to stay on the cutting edge of energy technology, in a province that depends so heavily on energy, that edge is tremendously important.

Earlier this week the ministry sponsored Energy 2000, an international conference and technology exposition. More than 350 people



attended the event, people in government, the academic community, public utilities, private industry and the world of commerce, as well as the public.

The new technology exposition was a great success, with more than 50 exhibitors covering a wide range of technology. Everyone who attended was most enthusiastic about the displays. All these people got together as a result of the dedicated efforts of the Ministry of Energy. The ministry staff are the real catalyst in the energy field in Ontario. It is their responsibility to plan and provide for our future wellbeing in the sphere of energy. They take that responsibility very seriously and they discharge it very well.

**Mr. Speaker:** The member's time has expired. The member for Durham West.

**Mr. Ashe:** That last monologue sounded much more like a ministerial statement, but not given by the minister.

**Mr. Gillies:** A would-be ministerial statement.

**Mr. Ashe:** Yes. One of the things that did interest me in the remarks made by the member for London South (Ms. E. J. Smith) is that she put on the record the reason the members on this side, the official opposition, the people who are still talking in a responsible way to the government, cannot support the motion put forth by the member for Hamilton Mountain.

It is difficult to understand why the member for Hamilton Mountain would turn what could have been a very positive resolution, if he had started in the middle, into a very negative resolution, obviously based on a lack of knowledge and understanding of the programs of the Ministry of Energy over many years.

I appreciate and compliment the former speaker for putting on the record all the various exciting programs that were initiated by the previous government and by the Ministry of Energy under a succession of Progressive Conservative ministers. I think even the current minister would acknowledge that virtually every program just enunciated was a program initiated prior to his attendance at that ministry. I am not in any way taking away from him. I know he has been very encouraging and complimentary to the programs already there, and I am sure he is working on new programs for the future.

However, it is unfortunate, as I say, that a very positive resolution was turned into the kind of resolution put by the member for Hamilton Mountain. I think this bears repeating. A couple of the programs have been extremely successful,

initiated and carrying on for a multiplicity of years.

The member referred to the HeatSave and HeatSave North programs. They involve taking a technology called thermography, done initially from the air and then from the ground to cut down on the cost. They involve being able to work in various sized communities throughout the province, educating people on how they can do the low-cost things, the medium-cost things and ultimately the higher-cost things, to cut down on their expenses and energy costs, obviously restrain their use of energy and thence conserve that particular commodity we all look upon so graciously.

There were also some references, as I recall, by the member for Lakeshore (Mrs. Grier). She is a new member, so we have to give her that advantage, but she indicated that it is too bad the private sector had not got involved with some creative financing, particularly in the industrial and commercial sectors.

If she had come and asked a couple of the earlier ministers, or I am sure even the current minister, she would have found out that there have been quite a number of companies—I might add a growing number of companies—that are doing, have been doing and are still doing exactly what she mentioned.

In other words, they are going to business, they are going to industry, and they have even come to government ministries and said: "Let us have a look at how you are using energy. Let us really look at how we can save you money. It is not going to cost you anything, but we are going to share in the saving you are going to make over the next few years." There are and have been companies doing that for the last number of years. Obviously, it is a lucrative business because the number of entrepreneurs is growing.

So I am glad to report the entrepreneurs in the private sector are alive and well in this province and have been doing so for quite a period of time.

**Mrs. Grier:** Why are we building Darlington?

**Mr. Ashe:** Of course, we also have a group of people who have their heads in the sand. That includes those who feel all the answers for our energy problems lie in the sun, the moon, the stars and the wind. We all know they can assist us, but they are not all the answer. If it was not for the energy crush forced upon us a number of years ago with the oil embargo, etc., we would probably have needed two Darlingtons instead of one. So energy conservation has made an impact in this province.

If we want to continue to grow, if we want our economy to continue to prosper, if we want job creation to continue, we have to have the kind of economy where we have a reasonable and responsible source of energy of all kinds, including electrical energy among others.

There is one other very important aspect of energy conservation and renewable energy use that has been done widely and in many forms, and I cannot cover it in just over a minute. That is demonstration projects initiated and co-financed with other levels of government and/or the private sector over the years to prove technologies, to prove whether they were actually realistic, to prove whether, if one invested \$100,000, there would be a reasonable and responsible payback period.

There is no doubt we found some of the grandiose ideas were not practical. A few years down the line, as energy costs continue to rise, yes, they may be, but in the meantime some were found to be impractical and others were found to be very practical and are now getting wider use.

**5:50 p.m.**

It is too bad that what could have been a very responsible and positive resolution, if it had started after the word "therefore" on the fourth line, became not only a negative but an inaccurate resolution concerning the results of the Ministry of Energy programs that have taken place over many years.

Interjections.

**Mr. Speaker:** Order.

**Mr. Ashe:** We do have a responsible opposition over in this corner of the House. It is too bad we do not have another responsible aspect at that end.

We will not be supporting this resolution.

#### HEALTH PROTECTION AND PROMOTION AMENDMENT ACT

**Mr. Speaker:** Mr. Pierce has moved second reading of Bill 52.

Motion agreed to.

**Mr. Speaker:** According to standing order 64(m), shall this be referred to committee of the whole House?

**Mr. Pierce:** I would ask that this bill be referred to the select committee on health and, pursuant to standing order 64(m), I would ask the majority of the House to support this request.

**Mr. Breaugh:** What is the select committee on health?

**Hon. Mr. Bradley:** It cannot be done. There is no such committee.

**Hon. Mr. Nixon:** Is there such a committee?

**Mr. Speaker:** Is there a select committee on health? Yes, there is. That is fine.

Interjections.

**Mr. Speaker:** Order. Are any members opposed to this bill going to the select committee on health?

**Hon. Mr. Nixon:** I say it should go to a standing committee, as do other bills. I think it should go to the standing committee on social development.

**Mr. Speaker:** Is that satisfactory to the member for Rainy River?

**Mr. Pierce:** I believe the select committee is chaired by the member for Brampton (Mr. Callahan) from the Liberal side of the House. I again request that this bill go to the select committee on health.

**Mr. Harris:** We do not want to cause problems. We would like this to be dealt with wherever it can be. The standing committees are tied up with estimates and a number of other matters that are referred to them. There has been a select committee on health formed and we have not heard of a single, solitary thing it is doing. The House leader for the government quite legitimately did not even know it existed.

I will be honest and tell the House I did not know it existed either, until the member informed me. I thought I was on pretty equal footing with the government House leader in our knowledge of it. Unless there is some reason the government House leader knows that this committee is going to be jammed with activity in January, February and March, we think it would be appropriate.

**Mr. Speaker:** I think I really should quote the full standing order so everyone is familiar with it.

"Private members' public bills given second reading shall stand referred to the committee of the whole House, unless referred to a standing or select committee by a majority of the House."

The request is that it go to the select committee on health.

Bill ordered for the select committee on health.

**Mr. McClellan:** Whenever it is constituted.

**Mr. Speaker:** Order. We will deal next with Mr. Charlton's motion of resolution 19.

**6:01 p.m.**

#### ENERGY CONSERVATION AND RENEWABLE ENERGY RESOURCES

The House divided on Mr. Charlton's motion of resolution 19, which was negatived on the following vote:



**Ayes**

Bradley, Breagh, Callahan, Charlton, Cooke, D. R., Epp, Fontaine, Foulds, Grier, Haggerty, Hayes, Laughren, Lupusella, Mackenzie, Martel, McClellan, Miller, G. I., Morin, Newman, Philip, Polsinelli, Riddell, Sargent, Scott, Swart, Warner, Wrye.

**Nays**

Andrewes, Ashe, Barlow, Bennett, Bossy, Cousens, Eves, Ferraro, Gillies, Gregory, Guindon, Harris, Henderson, Hennessy, Jackson, Johnson, J. M., Kerrio, Knight, Leluk, McCague, McFadden, McNeil, Nixon, O'Connor, Offer, Pierce, Reycraft, Sheppard, Shymko, Smith, D. W., Smith, E. J., South, Stevenson, K. R., Taylor, Treleaven, Turner, Van Horne, Villeneuve, Ward.

Ayes 27; nays 39.

**BUSINESS OF THE HOUSE**

**Hon. Mr. Nixon:** I would like to indicate the business of the House for the remainder of this week and next.

This evening we will continue second reading of Bill 50, with a vote at 10:15 p.m.

**An hon. member:** He hopes.

**Hon. Mr. Nixon:** The member's House leader hopes. Anyway, the member has already spoken.

On Friday, November 22, and Monday, November 25, we will deal with Ministry of Revenue estimates.

On Tuesday, November 26, we will deal with legislation in the following order as time permits: second reading of Bill 51; committee of the whole House on Revenue Bills 45, 46, 47, 48 and 49 and, if required, on Bills 50 and 51; second reading, with committee of the whole House as required, on Bills 57, 54, 55, 44, 43, 22, 11, 12, 13, 34 and 3.

**Mr. Martel:** Why does the minister not read the Orders and Notices?

**Hon. Mr. Nixon:** I do not know what we are going to do with all the time left over.

On Wednesday, November 27, the usual three committees may sit.

On Thursday, November 28, in the afternoon we will consider private members' items standing in the name of the member for Carleton East (Mr. Morin) and the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson). In the evening we will debate the fourth report of the standing committee on procedural affairs and agencies, boards and commissions.

On Friday, November 29, we will consider the estimates of the Ministry of Government Services.

**Mr. Speaker:** I would like to remind all members of the unveiling of the portrait of the member for Peterborough (Mr. Turner) just outside immediately.

The House recessed at 6:08 p.m.

## APPENDIX

## PORTRAIT OF FORMER SPEAKER

**Mr. Speaker:** Ladies and gentlemen, as I say in the House, order. If I could have your attention please.

Mr. Premier, Mr. Miller, Mr. Rae, Mr. Horne, Mr. Davis, Mr. and Mrs. Turner—John and June—ladies and gentlemen, I want to welcome all of you here for this special occasion.

I do not know if many of you realize there has been a bit of reorganizing of paintings on the first floor. The portraits of the Speakers have been rearranged. They seemed to be all crowded into one end of the building. I hope you will note on your travels through the building the rearrangement that has taken place.

I would like to welcome all of you on behalf of all members of the Legislature. I have some people who would like to say a few words. First, I will call on Premier Peterson.

**Hon. Mr. Peterson:** Mr. Speaker, Mr. ex-Speaker, Mr. ex-Premier, Mr. ex-Premier, Mr. Rae, Mr. Horne, ladies and gentlemen.

**Hon. Mr. Davis:** It is former, not ex.

**Hon. Mr. Peterson:** Former. Mr. Premier emeritus, William Grenville Davis, QC, whatever you want to be referred to as, welcome all. Bill, we are delighted to have you and Kathy here tonight too.

It is a very great honour for me to be chosen to unveil this magnificent portrait. I have not seen it yet, but I am told it is magnificent. This is portrait time around Queen's Park. There are a number of them. The ex-Speaker, Mr. Turner, chose Mr. Horne to do his portrait. Mr. Davis and Mr. Miller have yet to choose their artists. Mr. Davis still thinks Rembrandt is alive and he is looking for him somewhere.

**Hon. Mr. Davis:** I have found him.

**Hon. Mr. Peterson:** There is only so much even a guy like him can do; you cannot hold out for ever.

This is a very special time when we honour public servants, people who have served this province in very special capacities. The Speaker of the House is an officer of the House. He can function only with the respect of all members. It is not an easy job for anyone, but John Turner did it with great distinction.

To survive as a Speaker is an accomplishment in itself, but to survive with the respect of all members is a truly outstanding achievement.

John did that tough job, one that is hard on the nerves. The only real weapon one has is the force of moral authority, and through that alone, he won every single battle he engaged in.

John, as you know, has been a member of the Legislature since 1971. He served in a variety of capacities and still continues to serve, as I know he will for a long time to come.

John, let me say, on behalf of your many personal friends in the Legislature, that it gives us a great deal of pleasure to see you now hung with some of the great ones. We have always had this great capacity to pick good-looking people to be Speakers. We do not want any unattractive people adorning the halls around here. You are in great company.

John, it is my pleasure to do the official unveiling, which I gather I am supposed to do now. Mr. Speaker, is that right? Stand back and get ready to go, "Ooh," "Ah."

[Unveiling]

[Applause]

**Hon. Mr. Peterson:** Mr. ex-Speaker, that is a fabulous portrait.

You will notice there is the little twinkle in John's eye he always had. You will notice he is wearing contact lenses too. How becoming, John.

**Mr. Turner:** Thank you very much.

**Mr. Speaker:** Thank you, Premier. Now I would like to ask Mr. Miller to say a word or two.

**Mr. F. S. Miller:** Mr. Premier, this is a banner year for portrait artists. Mr. Davis and I have not chosen our artists yet. However, as the Premier said, in the interests of the taxpayers, we have agreed there will be two of us in one portrait, and we expect a special price. Is that right?

I, of course, was elected to the Legislature at the same time as John. John and June and Ann and I have been closer, I suspect, than many of the members of the House, particularly June and Ann.

The Speaker has many duties to perform, and as I am sure Mr. Edighoffer has found, without a wife willing to take a great deal of interest in the activities of the Speaker, it is not an easy life. June, you did that with such grace. We all loved you in that position.



John has that ring of honesty and authority that every Speaker needs to have, and it is not a façade; it is fact; it is he. I am so happy today to see him honoured in this portrait.

**Mr. Speaker:** Thank you very much, Frank. Now I will ask Mr. Rae to say a word or two.

**Mr. Rae:** I was going to say I actually preferred the picture to the real thing, but that would be untrue. I think it is a wonderful portrait. The only advice I would give you tonight is the same advice I have given others on these occasions, and that is to follow the advice of Adlai Stevenson, who said flattery is okay so long as you do not inhale. I urge that upon you tonight.

John, you have served the province with great distinction. I think you threw me out of the House only once, others no doubt more often than that. I see Elie trying to add up, on all his fingers and toes, the numbers of times.

Seriously, we greatly appreciate the work you did as Speaker. If I may say so, I personally appreciate your great kindness to me when I was first elected, and indeed before I was elected. I was out of the House for an extended period of time after my election as leader, and you gave me a great deal of courtesy and hospitality. To you and to June, who were so kind to Arlene and me, we very much appreciate that kindness.

I think you have been immortalized with great distinction by Mr. Horne, and I think we are all very privileged to see such a wonderful example of Canadian portrait painting in action in this picture. I know it will stay here; it will not be given away to some other institution. It will be with us for some time to come. I am delighted to see it and to see you portrayed so well for all time. Would that we could provide the same for Mrs. Speaker.

You have our very best wishes. You are still very much an active member in the House for the next number of years before the next election, which will be in 1989, 1990 or far off, and we look forward to serving with you in the future.

Congratulations. It is a delightful occasion and, if I may say so, a delightful picture.

**Mr. Speaker:** As you can see, we also have the gentleman here who nominated Mr. Turner as Speaker. I wonder, Mr. Davis, if you would like to say a word.

**Hon. Mr. Davis:** Mr. Speaker, Mr. Premier, Mr. Premier emeritus and Mr. Premier-who-would-like-to-be. Bob, I was referring to you.

I was not counting on participating in this delightful event, but now that you have asked me to, how long have I got? I do not want to coin

anything from Adlai Stevenson; he was not necessarily my political philosophical leader, but he was a great man. You do not mind smoking if you do not inhale either, Robert. Is that what you were trying to tell Mickey Hennessy and myself? If you do not inhale, Mickey, it is all right.

I would like to express my best wishes to the Turners. Like Bob, I feel it should have been Messrs. Martel and Sargent who helped to unveil this portrait, in that they contributed so much to the status and stature of the gentleman we are honouring here this evening, if memory serves me correctly, which it does.

I want to express my appreciation as one who sat in the House and always did what Mr. Speaker said, never took too long in my succinct and lucid answers to the questions that emanated from the other side of the House and never caused you any difficulties whatsoever Mr. Speaker.

**Mr. Turner:** I do not remember.

**Hon. Mr. Davis:** I do not remember either. Also, Mr. Premier, I would like to welcome all of John's relatives here from Peterborough. Half the town is here; that is why he gets the majority he does, and it is kind of fun to see them all.

I want to say hello to my own member of the Legislature, who was not at the board of trade breakfast this morning when I was addressing it in my usual eloquent fashion. Mr. Callahan, I did commit you and the Treasurer to the continuation of the Ontario Provincial Police head office in that great community. I just thought I would throw that in, Mr. Nixon, to remind all of us of that. It is nice to see you tonight.

To John and to his very charming wife, who has been a great friend of Kathleen's for many years, I express my appreciation for the way you served with distinction the office of Speaker of the Legislature, and I wish you well in whatever your future endeavours may be.

To you, Mr. Speaker, I know that you have learned a lot from John's example and guidance and that you are totally objective and nonpartisan in all your deliberations and decisions, which is in the true tradition of the House. Is that not true, John?

**Mr. Turner:** That is right.

**Hon. Mr. Davis:** That was one of the unfortunate crosses I had to bear.

Thank you very much, Mr. Speaker, for asking me to contribute these totally irrelevant observations, but why should I be any different today than I was for the 25 years I spent here?

**Mr. Speaker:** Well, Mr. Davis, if I may say it in a very impartial way, I guess things have not changed.

Next on the agenda is a little gift that the members of the Legislature have gotten together and felt they wanted to give to Mr. Turner to remind him of his years as Speaker. I would like to say first, because I am somewhat aware of the office of Speaker, that there certainly are tasks that are served very well by the wife of the Speaker. June, I know you enjoyed your time here at Queen's Park with John and I know the members appreciated what you have done around here.

On behalf of the members of the Legislative Assembly, I would like to present this to John and June as a remembrance of their days as Speaker and speakeress of the Legislative Assembly of Ontario.

[Applause]

**Mr. Speaker:** John, you will have to say a few words now.

**Mr. Turner:** In the interest of time, perhaps June can open our gift while I am talking. I will ask her to stand up here beside me.

Mr. Speaker, Mr. Premier, Mr. Miller, Mr. Rae, Mr. Davis and Kathy—I have had difficulty over the years in addressing Mr. Davis as anything but Premier. I do not think I have ever called him anything else. Frank Miller, upon becoming Premier, said, "Finally, I can call him by his first name." I have never done that, not that I find him intimidating in any way. It is very nice to see you here and thank you so much for coming, Bill. Now you and Kathy are on equal terms, more or less.

I would like to express my thanks to all my colleagues and friends on all sides of the House. I am a bit overwhelmed, particularly by the member for Sudbury East, Elie Martel, and the member for Grey-Bruce, Eddie Sargent. Of course, the others, like Vince, did not cause me any great problems.

**Mr. Sargent:** We still love you.

**Mr. Turner:** That is nice to know.

I would like to say thank you to all of you, in recognizing the position you entrusted to me. I very much appreciate that and I say that in all humility. I want you to know how much I enjoyed it. It was a great experience that very few people have the privilege of enjoying.

While I am here, I am going to do something that is probably going to embarrass a lot of people. Mr. Davis—there I go again—said that half of Peterborough is here. Most of my family is here. My sister, Dorothy, is standing here. Come on up and let everybody see you. Stay right here. I take direction from women all the time.

Frank, Margaret Jane is here because Arthur, who is a physician, fell off a ladder and did something to his tail bone. He finds it very difficult to manoeuvre, I understand. Come on up, Margaret Jane. Just so there is no doubt, I am the middle one of the family. I am not going to say any more.

Jim, come on over, and Tim, Ann, Ian and Rob. I was looking for you and could not see you. These are the people who, very directly along with many others, ensured my success in being re-elected and I want to pay tribute and say thank you to them in a public sort of way.

Gloria, it is great to see you here. We have had a long-standing relationship and I do not want that to be misunderstood in any way, shape or form. When I was first elected in 1971, Gloria was one of the people who made life a little more pleasant around this place. Then we continued to carry on that friendship. Having said all that—

**Mrs. Turner:** Do not forget Tim and Elizabeth.

**Mr. Turner:** Yes. I did not forget them, I just could not spot them. Tim and Elizabeth, come on over.

**Mrs. Turner:** I do not know where Elizabeth is.

**Mr. Turner:** I do not know where she is either.

**Mr. Kerr:** I have not seen her.

**Mr. Turner:** Have you not? This is a brother-in-law, Tim Kerr, and here is Elizabeth.

**Mrs. Turner:** Where?

**Mr. Turner:** Right here.

**Mrs. Turner:** My older sister.

**Mr. Turner:** Thank you ever so much for the honour you have afforded all of us. Collectively and individually, we all want to say thank you. I have no idea what the gift is, Mr. Speaker.

Oh, my gosh, that is a very lovely moment of the position of Speaker and of this place. I can tell you it will be put to good use, serving Ontario wine.

Again, I want to say thank you all so very much for taking the time and making the trip up from Peterborough. I know a lot of you have made a great personal sacrifice to be here and I appreciate it very much.

To the rest of you, my colleagues and staff in the building, it is just overwhelming to see you all here. I want you to know how much I appreciate it. Thank you all very much.

**Mr. Speaker:** I would also like to offer my thanks to everyone who came.



Before I make the final announcement, I feel I must introduce to you the artist, Mr. Cleeve Horne.

**Mr. Turner:** May I just interject for a moment? Cleeve, come on over, and Mrs. Horne too. This is a remarkable couple. I want to pay tribute to them. While Mr. Horne gets to sign his name and take all the credit, and I suppose receives the payment as well, it is really Mrs. Horne who does the work. In order to keep me relaxed or whatever it was, she sat during all the sittings and engaged me in conversation about anything of the day that was topical.

**Mr. Horne:** She was the dancing girl. Do you not remember?

**Mr. Turner:** Yes, I do.

There is another delightful practice Mr. Horne has. I do not know about others, but sitting and working for a comparatively long period of time gets to be rather tiresome, Mr. Davis, and this might be something you may wish to consider. It

was a new experience for me. The first time it happened, he looked up at me and said, "Do you think we should take a rest?" I said, "Whatever." He said, "What is your pleasure?" So we had a very nice, short break at each sitting where we talked about many things and enjoyed some refreshment, as well as their own personal hospitality. I can tell you I am very impressed by both of these people. Thank you so much.

When I saw the portrait, I looked at it and I said, "Gee, that is kind of flattering, is it not?" Cleeve did not take kindly to that but I still think it is. Thank you so much.

**Mr. Speaker:** Again, thank you, John, and I thank you all for coming to this special occasion. The only other thing I have to do is to invite all of you to attend in room 228, where light refreshments will be served.

That completes the ceremony, and I hope you will take the opportunity to meet the Turner family at the reception in room 228.

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# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**First Session, 33rd Parliament**

Thursday, November 21, 1985

Evening Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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# LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday, November 21, 1985

The House resumed at 8 p.m.

## FUEL TAX AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 50, An Act to amend the Fuel Tax Act, 1981.

**Mr. Sheppard:** I rise to take part in this debate on Bill 50. I am glad the Treasurer (Mr. Nixon) is in the House, because his riding is much the same as mine. Last week I understand he was away for a week's holiday, and the rest of us were home working hard trying to make an honest dollar so we could look after this extra fuel tax he put on gasoline and diesel fuel that he should not have put on.

There are several things in my riding that I would like to speak about. We have what we call Northumberland forests and we have loggers who cut wood for pulp. They are so concerned about the extra tax the Treasurer has added in the budget that they are coming to me and asking me to get up in the House and bring to his attention that this is ridiculous.

We also have a lot of beef farmers. You know you like beef, Mr. Speaker, and if we do not get some assistance by lowering the tax on gasoline and diesel fuel, we are going to be short of beef and we are going to have to import it from Australia or New Zealand.

**Hon. Mr. Nixon:** A very good beef support program was announced today. The Minister of Agriculture and Food (Mr. Riddell) did it for them.

**Mr. Sheppard:** Yes, but he did not go far enough. The Treasurer knows that.

I would like to bring to the attention of the Treasurer that we also have a lot of hog farmers in the great riding of Northumberland.

**Mr. Breagh:** Do the hogs use diesel fuel? That is what we want to know.

**Mr. Sheppard:** They use diesel fuel and they use gasoline.

**Mr. Breagh:** What kind of diesel fuel are you feeding the hogs these days?

**Mr. Sheppard:** A lot of these hog farmers grow a lot of corn, and we know they cannot get diesel fuel out of growing a lot of corn; so they

have to grow this corn and feed it back to the hogs. However, in order to do that, they have to plough the land in the fall, and that takes fuel. Most farmers today have a couple of diesel tractors, or maybe they have a couple of run-down gasoline tractors.

**Mr. Breagh:** They do not pay any taxes at all.

**Mr. Sheppard:** It would be better if they had one good tractor that worked and used gasoline, provided it was cheaper than it is.

I want to bring to the attention of the Treasurer that regular unleaded gasoline has gone up by 4.76 per cent in his budget and diesel fuel has gone up by 6.45 per cent. This creates a lot of problems, because I also have tobacco farmers in my riding, as does the Treasurer. Where did he go? He is over there visiting; he is not paying any attention to me. I am glad the Treasurer does not smoke or he would be making a comment about the tobacco farmers, saying it would be great if they did not smoke because he would then have to tax another cent on gasoline.

I want to bring something else to the attention of the Treasurer. Just last June, when we were in power, Highway 401 was going to be repaved from Cobourg to Trenton because it varies four inches; it is terrible and it is going to cause a great many accidents. On the other side of Oshawa there are signs saying, "Rough road for 73 kilometres," and down the road a little farther there is another sign saying, "Rough road for 43.3 kilometres." What I want to emphasize to the Treasurer is that when his party took power, the government withdrew those tenders, and now it is not going to pave that road until next spring.

If the government were going to raise the fuel tax and put it into repaving some of the highways that are badly in need of it, I could support the increase, but the way it is, the government is not doing it properly. They should have repaved Highway 401 so that when the member for Stormont, Dundas and Glengarry (Mr. Villeneuve) comes up that road—some day we are going to run into the ditch.

**Hon. Mr. Nixon:** Maybe before the next election.

**Mr. Sheppard:** Just at election time?

We have 15 municipalities in the great riding of Northumberland, and we have a lot of construction going on there. All the reeves and deputy reeves have come forward and said to me, "We cannot afford that extra tax on gasoline and diesel fuel, because it filters right back to the individual taxpayer; we will have to increase our taxes. Would you mind taking that back to the Treasurer?" I have said to the reeve or the deputy reeve, whatever the case may be, "I will gladly get up in the House."

I want the Treasurer to know that I have done my duty on behalf of some of the municipalities in the great riding of Northumberland by getting up in the House and telling him that he should remove this extra tax on gasoline immediately.

In the Toronto Sun today, I read that there is a possibility the Treasurer will remove the tax and raise \$10 million in some other way. I wish he would get up in the House and tell us how he is going to do that. Then we might not have to get up in the House and tell him how badly we want him to remove that extra tax.

Also in the great riding of Northumberland we have many great apple orchards, and those growers have tractors too. They are complaining. The Treasurer is not paying a bit of attention to me.

**Mr. Breaugh:** There is a reason for that.

**Mr. Sheppard:** It is because he knows it is the truth. We also have a lot of custom workers, such as those on combines. Before I left home on Wednesday morning, just as I was going to the barn at 6:45—I slept in; I usually get up at 5:45—the guy was coming in with his truck to pick up the combine to start doing corn. He said to me, "When are you going back to Toronto?" I said, "In about an hour and a half." He said, "Would you mind telling that Treasurer I just cannot afford to pay the extra tax he has put on diesel fuel and gasoline?"

**8:10 p.m.**

I want the Treasurer to understand that the people in eastern Ontario are very concerned about the extra tax he is proposing. If he would get up in the House and tell us he is going to raise \$10 million in some other way, I would sit down. However, I do not want to sit down until he realizes how important this is and how difficult it is going to be for the farmers in eastern Ontario with this extra tax. We cannot afford it.

Besides that, we have the Northumberland and Newcastle Board of Education. With bus operators in the great riding of Durham East and Northumberland, the board has an escalating clause with the bus operators. Every time the

price of gasoline fluctuates, they are in trouble, because the board is talking about taking that escalator clause out. If the Treasurer would tell us he would hold the price of tax at one level, we would be happy. Then they would not have to have all those negotiations for weeks on end and they would be happy.

Also in the great riding of Northumberland, we have dairy farmers. I know the Treasurer was a dairy farmer at one time. They are very concerned about the high price of gasoline. They have to cut their hay, bale it and draw it in, and in the fall they have to do their ploughing. If the Treasurer would tell us how he is going to raise this extra \$10 million, we would not have to debate this. However, since he is sitting there smiling and will not tell us how he is going to raise this extra money—

**Hon. Mr. Nixon:** On a point of order, Mr. Speaker: I would feel badly if the honourable member were going to send this Hansard back to all his reeves, deputy reeves and wardens and all the farmers who, according to him, are worried about paying the tax on the fuel they use on their farms, because there is no tax payable at all. The school bus matter is something different.

There is no tax payable by the farmers. They either get it tax-free, or if they do not want to use the coloured fuel that was imposed upon them by one of my predecessors from Mississauga who is smiling at me across the way, waiting to make a speech in the next few minutes, they can send in for a rebate. We will be glad to send them a cheque. I will sign it myself.

**Mr. Sheppard:** I would gladly take this Hansard and give it to all the reeves and deputy reeves in the great riding of Northumberland. I would also be glad to take it back to the bus operators and to the director of the board of education.

**Hon. Mr. Nixon:** The director could pay for the gasoline tax out of his salary and never even notice the difference.

**Mr. Sheppard:** If the Treasurer wants to raise some money, why does he not put a little extra tax on people who make \$50,000 a year or more? Now he is in that category—I see him smiling over there—he would not miss that money.

**Hon. Mr. Nixon:** My friend just voted against that.

**Mr. Sheppard:** Pardon?

**Hon. Mr. Nixon:** My friend just voted against that. That is part of the Income Tax Act—three per cent on incomes over \$50,000.



**Mr. Speaker:** Order. There are some great suggestions being made across the floor. I hope the member for Northumberland will get back and discuss Bill 50.

**Mr. Sheppard:** I have only a couple of more points to make.

The Treasurer is trying to get the extra tax from the poor, but I have just suggested to him how he should get it. I would hope that in the near future he would find a different way of taxing the people of Ontario so we could get down to business.

I want to say to the Treasurer that I am sorry but I cannot support his bill.

**Mr. Speaker:** The member for Stormont, Dundas and Glengarry.

**Hon. Mr. Nixon:** Has the member not spoken already?

**Mr. Villeneuve:** No, I am sorry; this is my turn. I am addressing the fuel tax also, and it is rather sad to have to address such a situation.

Let us get this into the Queen's English. It is 9.3 cents per litre going to 9.9 cents per litre. That is 2.75 cents a gallon in the Queen's English, the language that is spoken in Stormont, Dundas and Glengarry.

**Hon. Mr. Nixon:** How does the member think it got to 9.3 cents? It was the Tories who did it.

**Mr. Villeneuve:** I very often hear all sorts of excuses and promises from the other side. It is starting to wear thin, and I speak for 50,000 constituents, most of whom are farmers. I realize there is coloured fuel and there is clear fuel.

I suggest there are literally hundreds of trucks that drive up and down the concession roads with the sign "Cold, beautiful milk" on them. What do members think is the biggest cost to run these trucks that go up and down our concession roads 363 days a year?

**Mr. Callahan:** The driver.

**Mr. Villeneuve:** They have New Year's Day and Christmas Day off. Two days a year they do not run. Outside of the man at the wheel—the honourable member is correct—fuel is the biggest cost to these truckers. They are hauling milk, nature's most nearly perfect food. They are taking it to a processing plant that will prepare it for its use by our urban counterparts either as fluid milk or to be transformed into cheese and other dairy products.

I was privileged to be invited to attend the annual meeting of the Ontario Milk Transport Association, which occurred two weeks ago on Saturday night. They are very concerned about the increase of 2.75 cents per gallon on the fuel that will be powering these trucks to haul nature's

most nearly perfect food. It will be borne by the dairy farmers of this country and it will then be passed on to our consumers. The Treasurer must remember that.

The Ontario Milk Marketing Board works on a formula based on the cost to operate. As I said, outside of the man at the wheel, the next biggest cost is fuel in that truck. Most of them are diesel-powered because of efficiency. The Treasurer is hitting them right in the wallet, and I want him to remember that as these trucks haul nature's most nearly perfect food to those great processing plants in the riding of Stormont, Dundas and Glengarry. I speak of places such as Nestle Enterprises Ltd., Ault Foods Ltd., Carnation Inc. and Kraft Ltd.

I must put in a plug for my colleague the member for Prescott-Russell (Mr. Poirier). There is a great little cheese factory at St. Albert. It makes some of the best cheese going, and I am sure my colleague will agree.

This fuel tax is going to hurt all of these processors because it will increase their costs. Some will be borne by the farmers, but they will be passed on to the consumers.

I need not tell the Treasurer that agriculture is going through some of the most difficult times since the Great Depression. Do I need to tell the Treasurer that?

**Hon. Mr. Nixon:** The last time the Liberals were in power.

**Mr. Villeneuve:** That is when the Depression ended; when the 42 years of Tory government started, it ended the Depression. Oh, yes. We are talking about the fuel tax.

Secondary hauling: Many of our dairy products are semi-processed at certain places and then they are on the road again. There is a song about that, "On the Road Again."

**Mr. McClellan:** Why not sing it for us?

**Mr. Villeneuve:** The member for Bellwoods does not particularly like to hear this, because he knows nothing about agriculture; but he benefits from agriculture.

**Mr. Braugh:** He knows nothing about a lot of things. So?

8:20 p.m.

**Mr. Villeneuve:** His colleague agrees with him over here.

In secondary hauling, we are hauling semi-processed dairy products from one plant to another. Then the process is completed and these same products wind up in the great cities, such as the one we are in right now.

This great city uses these farm products. I do not believe the consumer realizes and appreciates the blood, sweat and tears that goes into the production of these products. The Treasurer is going after the basic producers and charging them additional moneys to bring their product to market.

I notice the Treasurer has slipped out for a minute. No, he is just behind you, Mr. Speaker.

We have in the riding of Stormont, Dundas and Glengarry, a great number of cash crops being grown such as corn, soybean, barley, whatever else. There are lots of grains being grown. These grains all wind up on the road in diesel trucks to go to the elevator. Again, the increase of 2.75 cents a gallon that he is looking to impose is being borne by our basic producers. They have to get there—and I am talking about wet grain. The Treasurer knows it is a lot heavier wet than once it has dried. The drying process also requires fuel.

He is hitting again the people who can least afford it. The Treasurer knows the agricultural producers have no say in their cost of production, nor do they have any say in what they receive for their product. They can decide when to sell. That is the only decision they have. The Treasurer knows that. He is hitting those people right in the wallet again for 2.75 cents a gallon.

I live close to an elevator. Day and night at this time of year, big semi-tractor-trailers are driving past full of wet corn. The Treasurer knows what that is. They are going to the elevator. The increase of 2.75 cents a gallon applies to just about every one of those tractor-trailers on the road that is pulling that wet corn to market.

Now the wet corn is dry. It may use propane, natural gas or whatever, but that is not where it ends. It has to be hauled to a secondary market and probably to a third market before consumption. Every time it is on the road again and every time it is costing. With an increased price of diesel fuel, it is going to cost at least 2.75 cents a gallon more.

When the Treasurer made his budget statement, many of the retailers increased the price of fuel immediately. The Treasurer knows that happens. It is a very convenient way of grabbing a little profit at the government's expense. Remember, when the Treasurer announces an increase in the cost of fuel, everyone talks about it the next morning. They read it in the paper. What happens? The price goes up at the retailers. The Treasurer gets blamed and someone is making a little more profit. That is not a situation that should be tolerated.

We have in the riding that I am so proud to represent a large area of organic soil. The Treasurer will know what organic soil is. It is called Tayside Muck Farms. It is just in the process of getting going economically. Do members know what its biggest cost is? Getting its produce to market. How does it get its produce to market? Via diesel-powered trucks. The markets are Toronto, Montreal and the east coast of the United States.

We have a potential. We have 7,000 acres of some of the most productive organic soil anywhere. However, this tax is driving the economic situation a little bit further away from being realistic.

I ask and plead with the Treasurer to reconsider this situation. He is hitting those who can least afford it.

This same Tayside Muck Farm is speaking of installing dehydration equipment. Such equipment is very fuel- and power-intensive. It may be partly electrically powered, partly diesel-powered, or partly powered by a number of other modes. Again, it is a question of diesel fuel costs. The additional costs of moving these products, 2.75 cents per gallon, just makes it all the more difficult.

Just adjacent to the great riding of Stormont, Dundas and Glengarry there is a very large grain elevator situated along the water at Prescott. It has capacity for untold bushels of corn. The Treasurer should consider a gasohol plant there, situated along the water, and I will quote from a promise made by a certain party in opposition at a certain time—

Interjection.

**Mr. Villeneuve:** They happened to wear red ties, most of them. I will read from item 19, which says specifically: "Introduction of a major program to develop an alcohol-gasoline blend to replace leaded fuel. This low-polluting, high-octane blend would be made from alcohol produced in Ontario, which would be eligible for a provincial fuel tax reduction," and I emphasize, "a fuel tax reduction." I do not believe we are addressing a fuel tax reduction right now; we are addressing the exact opposite.

"In order to encourage development, assistance would be provided to lower the cost of energy source utilized in an alcohol production plant, so as low-cost steam from the Bruce nuclear complex...."

We have all the storage facilities in Prescott. The St. Lawrence Seaway is immediately adjacent. We have a good network of roads, if we overlook the ruts between Oshawa and Belle-



ville. I must tell members that when I was coming back Sunday night, a week and a half ago, I had to stay overnight in Trenton because of the ruts. It was snowing and it was most dangerous on Highway 401 going east. It is dangerous, and the 2.75 cent increase in the cost of fuel should be applied immediately to correct that situation.

I will go back to the gasohol plant. The Treasurer should give that some very serious thought. At Prescott, we have all the facilities, not being used really anywhere near their potential; and, as I said, it is along the water, the rail line and Highway 401. It has all the attributes.

We import just about all of our fuel needs. This could provide us with 10 per cent of our required fuel in Ontario. The Treasurer knows the price of corn right now is so low it does not cover the cost of production. This corn could be turned into alcohol. It could be turned into gasohol that could be added to regular gas to provide the octane and be a clean-burning fuel. The Treasurer should give that some thought.

**8:30 p.m.**

Getting back to the business of being on the road again, I could bring the Treasurer to some hog farms and beef farms. They have to take their livestock to market. As a beef farmer, I market most of my cattle in Ottawa at a small killing plant, the only one of any scale in eastern Ontario. Do the members know the price I receive for my cattle? It is Toronto, less hauling. What has the government done to the price of beef? It has been lowered by 2.75 cents a gallon for diesel fuel. Those costs are being borne by some of the people who are not even meeting their cash costs in a very difficult and tough-to-operate economy, the livestock and red meat economy.

I appreciate what I heard from the Minister of Agriculture and Food. It is a step in the right direction, and let us hope it does come to fruition and is not one more shallow promise made by a government that is floundering.

We in the county of Dundas have more senior citizens per capita than any other county in Ontario. From time to time, these people like to hire a bus to take them from place to place.

**Mr. Haggerty:** All the time.

**Mr. Villeneuve:** That is right. I tell my honourable friend that the increase of 2.75 cents per gallon to fuel the bus that these senior citizens will be renting, possibly to go to Vancouver, Toronto, Montreal or wherever, will be built into the price of their ticket. The government has not

given that any thought at all. Two and three-quarter cents a gallon, in the Queen's English, is what it is all about. This is what we are talking about.

I have said basically what I had to say. I still find it rather strange to see the party on the left over here dancing from one toe to the other. It is going to be most interesting when we come to a vote a little later tonight, tomorrow or whenever, to see exactly which way they will leap.

It is rather interesting. They are faced with a dilemma. I go back to what the leader of the third party said in Cornwall just prior to the election: never, never would they associate with the Liberal Party of Ontario because they had seen the show before. It will be interesting to see what kind of show occurs here.

I do not believe, in the accord, that they promised to love, honour, obey and raise the fuel tax. That was a little extra the Treasurer threw in. Perhaps they promised to love, honour and obey. But raise the fuel tax? I do not know. We will have to wait and see.

**Mr. Gordon:** It is indeed an honour to be able to speak on this bill, although I do not think I can call it a very honourable bill.

Interjections.

**Mr. Gordon:** I thought perhaps a little play on words would be suitable on this occasion. I cannot help but think of that little story the Treasurer alluded to when he talked about sitting around with Earl and the boys talking about taxes and things such as this. I am sure he probably did kick the tires down at the corner store and "Aw, shucks" with the fellows. However, I am sure when they started to kid him a little about taxes and such things, even fuel taxes, being the astute politician he is, he managed to get them talking about some other subject, such as the corn being just about ready for harvesting or some such thing.

In this House we have all seen the adroitness of the Treasurer of Ontario when he was in the opposition, how smoothly and ably he was able to touch on practically any topic and, when necessary, deflect the lightning and thunder around him at any time. I noticed another thing about him, and I might as well bring this up right now, because I was a great admirer of his parliamentary skills. No matter how much one heckled him, when he was in the opposition one could not get him to answer. He would not take that bait.

Whenever we are talking about the Treasurer like this we want to make it clear we do have a great deal of respect for his political acumen, but

I think his political acumen is beginning to wear a little thin around the edges. This fuel tax is a classic example of that. The residents of the north, particularly the residents of the Sudbury region, have felt the sting of the new taxes he brought forward in this budget.

The Treasurer talked today in the House about the very fine presentation that was brought forward by the regional chairman and his people. As a matter of fact, he alluded to the other guests who came along with the regional chairman. They were people who are very well known throughout Ontario, if not through all of the Sudbury region. He mentioned how they impressed him with their veracity and their political expertise and convinced him—no, he did not say they convinced him of anything—he said it was the regional chairman and his people who presented a brief much better than he had seen in a number of years, no, since he had become the Treasurer. That is what he said.

I must tell him I thought that was really excellent. I listen very carefully to what the Treasurer says because some day I might just happen to talk about it in other places.

**Mr. Cousens:** But he is Mr. Minister of Revenue tonight.

**Mr. Gordon:** Minister of Revenue, Treasurer, it is all the same, he is collecting money for raising taxes. I recall he said something in question period this afternoon to the effect that it was one of the best presentations he had witnessed since he had become Treasurer.

This Treasurer obviously has spent some time in this assembly, in this great room, because he left it open to tell other people their presentation was one of the finest he had seen since he had become Treasurer. I will have to admit that we have to watch this minister very closely.

The people of Sudbury and Sudbury region are very concerned about his budget, particularly his fuel tax. The fuel tax is disturbing them greatly, particularly since so many of them at the present time are unemployed. When one has to get into his truck or into his vehicle, if it happens to be diesel-powered, and one wants to go somewhere he is paying through the nose. He is going to pay more. It does not recognize the fact that while he is an employable person he is now on the welfare rolls. He is somebody who is unemployed and unable to find a job anywhere in that region. That hurts. I think the Treasurer should bear that in mind.

**Hon. Mr. Nixon:** How did they like the \$100 million for northern development?

**Mr. Gordon:** I do not think the Treasurer should interject when we are talking about a subject as serious as this one. Perhaps he should pull his horns in a little. Just because I am a little jovial right now it does not necessarily mean that we do not have any teeth on this side of the House.

Nevertheless, I am sure the message that Tom Davies, the regional chairman, brought to the Treasurer that day is beginning to sink in. I think he made it very clear that due to his government's failure to set out specific provisions as yet for make-work programs, there are people in Sudbury who are not going to have the opportunity of getting off the welfare rolls and, as a result, he is going to find that these people are not going to have the opportunity of driving their trucks or their cars if they happen to be diesel-fueled because they are not going to have the money.

**8:40 p.m.**

The kind of action the Treasurer took in his budget quite clearly led to the credit rating of this province being downgraded. I know in his budget he tried to take one pass at the idea of the credit rating as being a very positive thing. On the other hand, those people had to do what they had to do. He made it sound as if what he was saying was: "There is medicine involved, and we all have to take a little bit of medicine. We want to keep the credit rating, and if we happen to lose the credit rating, we will feel bad about it, but it is going to go."

He did not say that by the time it was all over he would probably take close to \$1 billion, when we consider the kinds of transfers that come from the federal government and when we consider that probably the tax that is involved in the Canada pension plan will go up a percentage point or so and he will have the benefit of that.

He did not tell those people in the Sudbury region or in the north who are suffering from this haemorrhage of jobs that he was raising a kitty of well over \$700 million, which he is going to play games with a number of months down the road. I think people would be very hurt to think this budget was really established for sheer electioneering purposes.

I am sure the people on my left would never have signed that accord if they thought he was going to bring in a budget like this and take that money from the people of Ontario and use it against the people for the crass purposes of future elections. I am sure the people on the left would never have signed that accord if they thought the Treasurer was going to use that money to reduce the number of seats they hold in this Legislature.



I cannot believe anyone in his right mind would have signed the accord under those circumstances. I am sure they never thought of that; so I will not hold that against those who sit to the left of me. They will have to bear that problem for some time in the future.

Let us make it very clear. The Treasurer lost the credit rating in Ontario, so he could raise an extra \$700 million, which he will perhaps spend on an election eight, 10 or 12 months or two years from now, but it was not in the interests of the people of Ontario.

When Earl and the boys get together around the stove down at that corner store and the Treasurer kicks the tires and says, "Aw, shucks," he is going to have to talk about more than the price of corn and soybeans, because in eight or 10 months they are going to catch on. Now that we have changed not only the sign over the door when we talk about the office of the Leader of the Opposition, I am sure he will be looking forward to the next contest.

In the north we need jobs; we do not need more fuel taxes. We need jobs for youth. I am sure some of the people here in southern Ontario are going to give the Treasurer credit for bringing in youth opportunity programs that are going to employ some of those youths in certain business establishments around the great south. Of course, I have always been an admirer of the people of southern Ontario. I think they work hard and they certainly deserve whatever benefits they can get.

At the same time, the Treasurer has to realize—and I hope he will take the time to think about it—that the youth in northern Ontario are not going to have the same opportunity to get jobs as the youth in southern Ontario. I will come to that a little more in a few minutes.

The other matter is that this budget does not address the problems faced by those individuals in northern Ontario and in the Sudbury region between the ages of 24 and 50. I should not restrict it just to northern Ontario. I should say, in all conscience and in all truth, that it really does not address the problems of those who are employable, who are on welfare between the ages of 24 and 50 and who are living in southern Ontario, either.

As I indicated, it addressed the problem of youth, but only to a degree and really only for those youths who are living in southern Ontario. The Treasurer might ask how I can say that. I do not want to repeat things he has heard already. I do not want to do that to him.

They say that people can begin to suffer from Alzheimer's disease as young as 45. The early

indications of that most unwanted disease sometimes turn up around 45. I know the Treasurer shows no signs of any of these problems, but I have to go over again what the regional chairman, Tom Davies, must have told him at that time about the problems of youth in Sudbury region.

**The Acting Speaker (Mr. Morin):** Order. The debate is on the fuel tax.

**Mr. Gordon:** If I might just make this point, the youth in Sudbury region are not going to be able to pay that fuel tax. I want to tell you why, Mr. Speaker. I know you are listening very intently to me, You are taking down everything on that little clipboard you have and you want to hear about the problems of the north, particularly since you spent so much time in the north in your former portfolio preparing to come to this great assembly.

The problem we have in the north with youth is that although they represent a third of the labour force, they are half of the area's unemployed.

There is one thing that offends me in this House. I am not one of these people who flies off the handle easily. I am a very patient man, a very kind person. I try not to speak loudly or to antagonize other people, but when I am talking to the Treasurer, I do not want to be looking at the back of the member for Sudbury East (Mr. Martel). As members can see, I bear no malice to anyone.

Sudbury's economy is not growing, and that is one of the penalties of the lack of diversification. We had the opportunity today of hearing from the Minister of Northern Affairs and Mines (Mr. Fontaine). That minister is trying to wrestle with the problems of the north. We have to give credit where it is due, but at the same time, I wonder whether he realizes what the problem is.

There is a great deal of talk about the \$20 million a year, which has been generated in part by the fuel tax, just so we keep this on track. What is that \$20 million a year going to be used for? As I said this afternoon in question period, it is quite obvious to all of us in this House, leaving partisan politics aside, that if we are going to have true diversification in northwestern and northeastern Ontario, we are going to have to have a conscious and written policy on the part of the provincial government.

The government is going to have to direct and channel new manufacturers, people who are interested in developing new companies, people from offshore and so forth. It is going to have to point them in the direction of the north and provide incentives, I can think of one incentive

right off the bat when I look around this very fine chamber.

Perhaps for the first time many of us can actually see some of the very fine scroll-work that runs up and down the various columns. Just to think that scroll-work has listened to the Treasurer for a number of years—

**Hon. Mr. Nixon:** Does the member see the bust of Stalin right over my shoulder?

**8:50 p.m.**

**Mr. Gordon:** Does the Treasurer see the knives hanging behind him?

They have listened to many speeches about diversification and things that are needed, but until a government makes that very conscious written commitment to northern Ontario, the north is not going to develop. The north is still going to be that kind of a vessel out of which we keep pouring the profits. Those profits are used to build up the very fine buildings on Bay Street and to invest in other companies around the world. That is a known fact.

There is not much point in flying the poor Minister of Northern Affairs and Mines, that honourable minister, out across the north by King Air into various northern communities with his entourage of civil servants and parliamentary assistants to talk about the largess of this Liberal government, because the people in the north can see through that. They see it as a game, like going to see the people on a reservation and giving them some nice coloured beads to play with. That is not good enough.

To the Minister of Northern Affairs and Mines, I say that is not good enough. He is going to be very disappointed and upset, because he will find the people in those communities will tell him to his face, or they will say it after he leaves, that it is all hogwash and that is not the way in which the north is going to develop.

What led me to this point is that those young people in the Sudbury region—as an example of the north—who cannot get jobs represent one third of the labour force and one half of the area's unemployed. Those young people cannot afford to get out in those diesel trucks or automobiles, nor can they look forward to buying those kinds of vehicles in the future under these circumstances.

If the government members are sincere and really want to do something in the north, they are going to have to change their policies. It is just not going to work. There is no point in going around, for example, in January or February and taking the Premier (Mr. Peterson) and seven or eight high-falutin ministers along with their aides

in five or six King Airs to fly throughout the north.

**Hon. Mr. Nixon:** The member's party was going to have its own jet.

**Mr. Gordon:** There is no point in the Treasurer saying he would like to buy a jet, now that the government has an extra \$700 million.

**Hon. Mr. Nixon:** I did not say that. It did not cross my mind.

**Mr. Gordon:** I would not want to lead anybody astray. If the Treasurer wants to correct the record, he should stand up and say so. I can remember very well what happened this afternoon in this House. The Minister of Northern Affairs and Mines very adroitly deferred to the greater wisdom of the Treasurer, and when the Treasurer was asked whether he was prepared to initiate a policy in this province to see that diversification happened in northern Ontario, he proceeded to talk around the question.

**Hon. Mr. Nixon:** No, I did not. I said specifically that was the answer to the question.

**Mr. Gordon:** If the Treasurer wants to correct the record, he knows he can get up in this House. He can do it now.

The members on the left would welcome a straight-arrow answer at this time on that subject. I could applaud him then and so could they. To give the devils their due, they have talked on that topic in the past. I would never take that away from them for a moment. The member for Sudbury East may go out around 11 o'clock tonight if he wants and put out a press release about that, and I will not say anything about it. I will not say for one minute he did the wrong thing.

One of the penalties of lack of diversification is that people cannot afford the fuel taxes the Treasurer is bringing in in the north. We see Inco and Falconbridge continue to reduce their work force. One can walk into any restaurant in Toronto and look around and that restaurant will have a preponderance of young people in it. If one walks into a restaurant in northern Ontario, one does not see a preponderance of young people. One sees middle-aged people and people older than that, pensioners, because the youth have had to leave the north.

Things are not going to change until the Treasurer changes. I would be the first to get up and applaud him in this House if he saw fit to change. He would be known as one of the greatest Treasurers of Ontario if he were to bring in a brand-new policy that was really meaningful for northern Ontario. I would be glad to talk to



the Star this evening or tomorrow morning if he would so enlighten us.

**An hon. member:** Which party is the member in?

**Hon. Mr. Nixon:** He has tried them all but one.

**Mr. Gordon:** I have to say I find that amusing. I do not want to rise to that occasion, but I will put it on the record. Someone just asked, which party do I belong to? I just want him to listen very carefully to this. I do not want to go too far because some people on the other side might begin to squirm a little; so I am not going to tell members about a certain member of this august assembly who paid a visit to my office when I was the mayor of Sudbury to talk to me of certain matters.

**The Acting Speaker:** Order.

**Mr. Gordon:** The fuel tax; that is right. He did not mention anything about the fuel tax when he came to visit me, I can assure members of that. I am talking about a certain Mr. Peterson. I think he is referred to as Premier now. Because I think at times there are conversations that should not be repeated, I will not repeat the one we had, in all fairness, but if I did I think members would understand why I am standing here as a true blue Tory today.

Nevertheless, as I was saying, one of the things we notice in the north is the lack of young people because they have to move south. I think we all recognize that is a very sad thing to see, that people cannot remain in their home towns, their communities, but must leave their friends, parents and grandparents and work elsewhere. At least some should be able to stay, but that is not how it works at present.

The real tragedy is seeing men, in particular those who have have worked underground in those mines and smelters, now faced with going off unemployment insurance because they have not been able to find any other kind of work and having to go on welfare. They are men who have families and homes and have worked hard and felt they had a dream for which they could live. That is the tragedy.

Until the Treasurer is ready to change his policies and put real diversification into north-western Ontario, this fuel tax is not worth a hoot. Tell that to the boys around Earl's garage.

**Hon. Mr. Nixon:** It is Earl's Shell Service Station.

**Mr. Gordon:** By the way, I see we have a Speaker now in the chair who I hope will be a little more amenable to some of the things I have

been saying. I am sure the fellows and perhaps some of the ladies who attend at Earl's Shell garage on some of the nights they play cribbage there would be very upset if they were told the community of Sudbury region has forecast a welfare bill \$2 million higher this year than last year. Those individuals who are going on welfare are ready to work, but there are no jobs.

It is going to be a nice Christmas for those people, is it not, Mr. Treasurer? Your fuel tax is not going to do anything for them.

**The Deputy Speaker:** Would the member address his remarks to the chair, please?

**9 p.m.**

**Mr. Gordon:** We can always count on the right to keep us on the straight and narrow. I must thank the Speaker for bringing me to that straight and narrow position.

As I indicated, another problem with this fuel tax is that it hits the truckers. As one who has driven Highway 69 on many occasions in the morning, in the afternoon and especially in the dead of night—

**Mr. Haggerty:** The member is not moonlighting, is he?

**Mr. Foulds:** Yes, as Mr. Dressup.

**Mr. Gordon:** One thing about electronic Hansard is that it ignores all these remarks. Do not put him on camera whatever you do; it might break the camera. I take that back. I do not mean to offend anyone this evening, not even the Treasurer.

There are many independent truckers on that highway. They are finding it a little easier the closer they get to Sudbury, because about seven new passing lanes were put in during the past two years; but that was before the Treasurer's time. Those truckers are going to be a might perturbed over the news that came out of this Legislature not too long ago when the budget was brought in. The Treasurer said he was not going to be increasing spending on roads. The problem is that when the Treasurer goes home every evening—now, with his increased responsibilities, it is probably every second evening—the farther south he goes, the better the roads get.

If the Treasurer would take the time to drive up to northern Ontario some day, to Sudbury, he would see some of the problems those truckers face. Besides the fact that he has hit them with increased fuel taxes, they have all those bloody rock cuts they have to avoid in the most inclement weather, in the ice storms and the great snowstorms we have in the north, and the Treasurer is going to cut back on the amount of

money he is going to spend on roads. I am sure those truckers are happy about that.

We will be looking for some of that \$700 million the Treasurer is putting aside for the next great coming to be spent up in the north. I hope he does not think when that next great coming happens the voters are going to divide just as the waters did for Moses. He might be in for an awful surprise and get drowned.

It is really a hidden thing. In the city of Sudbury we have an excellent transit service, which uses diesel buses. In other communities across this province they have privately run transit services that all tend to be diesel buses. In one way or another, these increased taxes get passed on to those people who ride buses. It gets passed on to those people who cannot afford to own an automobile. It gets passed on to those people who might have senior citizen cards and want to go somewhere. Those are the people who get hit by this.

What happens when we increase the cost of fuel for truckers? Does the cost of food go down in northern Ontario? Does the cost of clothing go down in northern Ontario? Does the cost of automobiles go down in northern Ontario? Does the cost of operating mining machinery go down? All that stuff has to be transported in.

The Treasurer is putting it to us. I know he sat on this side of the House for a long time and he made some pretty fine speeches. Since I have been here, he has been one of the best speakers in this House, the most entertaining and the most interesting. However, I am surprised to see what he has done since he went over there.

I hope he will repent. I hope he will see fit to take some of these taxes, such as the gasoline tax, which we are probably going to talk about some time in the future, and perhaps change things a little to show that he has a heart. Big Bob Nixon's heart. Of course, February is not here yet; so we cannot talk about Valentine's Day.

Nevertheless, those people who can ill afford to pay more are the people who pay, and pay through the nose. It is the little people in this province, the working people in this province, the people who have to drive from Sturgeon Falls to Sudbury to work in the mines, the people who drive an hour's round trip from Espanola every day to work in those mines and smelters; they are the people who are going to be paying.

This is going to hurt those people when they go out to buy their work boots, their work socks and their work clothes. They are going to remember the name Bob Nixon. They will remember Nixon's budget. I think I am going to arrange to

have somebody take the Treasurer a litre of fuel oil. No matter where he goes, we will have somebody deliver it to him just to remind him of what he has done. It is a real shame.

I can see that some of the members on the opposite side are becoming incensed. It is like when you are a child and someone says you did something wrong. Usually you feel a little ashamed, but at the same time you would be a little mad because you got caught. You do not like to be told you are doing something that is wrong. If the Treasurer feels shame and anger at the same time, he should be glad the Lord has put somebody on this side of the House to tell him what he is doing wrong.

When we talk about northern Ontario, there is one thing we have in northern Ontario that perhaps the Treasurer is not very aware of. When he was able to come up to the north, before this kind of fuel tax was introduced, back around 1967, I can remember first meeting the honourable gentleman; it was at the Caruso Club, as a matter of fact. That was the time I ran against Elmer Sopha. I ran as a Tory then, but of course some people have chosen to forget that.

I could not help remembering what a fine-looking gentleman he was. He was so tall and young-looking. Of course, he was quite young at that time; he was still wet behind the ears. But surely the Treasurer could see the rock in northern Ontario at that time. Surely he could see that we do not have a situation where all the roads can go at right angles to each other and it is easy to get around.

One of problems of the north is that we have to go around the hills, under the hills and over the hills, and we have to spend more money on fuel. We have to spend more money on our vehicles. There is more wear and tear on vehicles in the north.

**Mr. Callahan:** Is the member getting close to the end?

**Mr. Gordon:** I am not going to talk about this now; I will choose to talk about it later. However, increasing fees for licences—

**Mr. Warner:** Great stalling tactic.

**9:10 p.m.**

**Mr. Gordon:** This fuel tax really gets me. When I think that the Minister of Northern Affairs and Mines talks about what he is going to do in the north for northerners, his idea of improving things for us northerners with the money from this fuel tax is tourism. He says: "What we need is more tourists in the north. Come on up to the north."



I am glad to see the minister has come back into the House. He is going to bring all these people up to northern Ontario. The answer for the future is tourism.

**Hon. Mr. Fontaine:** I never said that.

**Mr. Gordon:** To be fair, he said one of the really important answers for the north is tourism.

**Hon. Mr. Fontaine:** No, sir.

**Mr. Gordon:** The minister might have said it in another language, but I do not know enough of the other language to say if he said it. I do not want the minister to become incensed, whatever he does. Some of the finest moments in this Legislature have come when people became incensed, but we do not want anybody incensed tonight.

We know on this side of the House, because we took the time to listen very carefully to what the Treasurer said the day he presented the budget, that the Ministry of Tourism and Recreation budget was being slashed by 12 per cent. That hardly shows much commitment to this new goal of tourism in the north.

I am not going to say we do not have a need for tourists in the north. We have in Sudbury a very fine facility called Science North, built with provincial government funding, federal funding and funding from Inco and Falconbridge and a number of other companies. It is a welcome addition to the economic future of Sudbury, but that is not the answer for Sudburians. It is not a year-round facility and the majority of people who work in that facility are part-timers. Part-time jobs are not what we need in the north.

**The Deputy Speaker:** Is this directly connected with the Fuel Tax Amendment Act?

**Mr. Gordon:** Yes, it is.

**The Deputy Speaker:** Would you please restrict yourself to the act.

**Mr. Gordon:** This fuel tax is not going to do anything to create full-time jobs in northern Ontario. If anything, it is going to create even more part-time jobs in northern Ontario, because people in the north are not even going to have as much money to spend on goods and services. Most of their money is going to spent on this ridiculous tax.

I have to correct the Minister of Northern Affairs and Mines. I want to guide him and I want to be fair. He is a new minister, and to be perfectly fair, it is important that we on this side of the House give sound and constructive advice that will allow the new ministers to come out with programs that are good for all the people of

Ontario, but in my case I would like it to be northern Ontario.

Part-time jobs are not the answer, because part-time jobs involve lower pay and people do not get promoted in part-time jobs. If anything, the job remains the same and the person remains the same. As far as the quality of life of a part-time worker is concerned, the scheduling is very bad. In the north they send the waitresses home. They come in for breakfast and serve the people; for the rest of the morning they go home. They come back at noon, they work and then they go home for the afternoon. Then they come back at supertime. Those are hardly great working conditions, and I do not see how this fuel tax is going to help people up there.

Where in the private sector do people in the tourist business get pensions? Is there anything to look forward to when they are 60 years of age, apart from the Canada pension plan? They may have to ask for the supplement because the CPP is not enough. Is that what we are looking at in the north now? Fewer employment rights? Do part-time people have a lot of employment rights today in Ontario? They do not. I say to the Treasurer that exchanging part-time jobs for full-time jobs surely cannot count as economic diversification.

If the minister is going to spend less money on roads, what is he going to do about Highway 69? I would like to go on and talk about this fuel tax for at least 48 hours, but there is an airplane leaving shortly, and if I can grab a cab in time, I can get home tonight. I want the Treasurer to know that I gave up the opportunity this evening of being able to get back to Sudbury because I knew he would be looking forward to my advice and counsel.

Now that I know I have helped the new Minister of Northern Affairs and Mines to see the way, I am sure some of the policies he is going to bring out in the future will have some attributes of some of the things I have been talking about. I will be delighted to tell the people in northeastern Ontario how I have contributed to what the minister is bringing out. I will bend every effort and I will turn over every stone to make sure they hear about it. If he does not believe me, he can ask the member for Sudbury East (Mr. Martel).

**Mr. Cousens:** It is difficult to follow one who has inspired us as beautifully as the member for Sudbury. When he brings the wisdom from the north to the south so that we can understand something of the thinking of the north, we are all the better for his guidance and counsel.

I happen to believe the Treasurer will be influenced by our oratory and concern, because he will then know that the great majority of the people of Ontario, who are represented by us, will want him to respond with some kind of decision to their needs for the right kind of Ontario.

I have a number of points I would like to make. What we are doing is saying goodbye to the good old gasoline days in Ontario. The passing of an era usually gets people dewy-eyed and nostalgic, but alas, such is not the case with the passing of this era. Perhaps the lack of teary emotion can be understood by looking at a new study released recently by a management consulting firm, Runzheimer Canada Inc., which reviewed gasoline prices, not only through the period of price regulation a few years ago but also right back to 1965.

**Mr. Sargent:** On a point of order, Mr. Speaker: The honourable member is reading his speech. That is against parliamentary law.

**The Deputy Speaker:** Thank you very much.

**Mr. Cousens:** I will read parts, and then I will go spontaneously and follow my friend's good example.

**The Deputy Speaker:** Might I say to the member for York Centre that he has been speaking for just about two minutes and has yet to mention the Fuel Tax Act, diesel or anything on the subject.

**Mr. Cousens:** I am talking about gasoline, and I am just working up. If the Speaker will be so kind as to allow me to continue, I will tie these remarks into Bill 50, which is before us.

I was referring to the Runzheimer Canada report, which reviewed the price of gasoline in Canada right back to 1965. What I want to draw out is the fact that the gasoline price continues to go up, and how much it is going up is significant and interesting to all of us.

When Canada entered the era of Ottawa-Alberta price setting in 1980, a litre of regular gasoline was ours for 26 cents; that was the full-service price. Now the cost of self-serve gasoline, the whole cost of gasoline, is 44.9 cents. Just look what is happening to it. It has gone up by more than 9.9 cents a litre in the past four or five years—no, it has gone up more than that, if I were able to follow my report.

9:20 p.m.

When Canada entered the era of Ottawa-Alberta price setting in 1980, a litre of regular gas was ours for 26 cents. That was the full-service price, not the cost of self-serve gasoline. Today

we are brushing up at almost double the 1980 level. In the premetric days of 1965, we were paying 9.9 cents for a litre of gasoline.

To look at it another way, the 44.9-cent gallon of gasoline in 1965 now costs \$2.34, a 421 per cent increase. It continues to rise. What we are seeing the Minister of Revenue do here tonight, what we see the government trying to do will cause the price structure within our whole environment to go up. The people in Ontario do not want that because they are saying: "If the prices of gasoline and fuel continue to rise, that will fuel an increase in price for everything else that is served by those who have to deliver their goods, their people and their products. Where gasoline is involved, that affects everybody in this province."

It is the most inflationary—stimulating activity the government could do. It stimulates inflation because everything we do in this province depends upon the delivery of goods. As we increase the price of fuel so too do we increase the cost of those services we are delivering. They have to be recovered more and more by the people who would deliver those goods and services.

We at this time should be looking at ways of controlling inflation. The whole budget that has been presented by the government increases our deficit by \$500 million. We see no real addressing of those concerns. By virtue of having a deficit that large going up after only three or four months in office, when the previous government was trying to bring down the deficit—we sought efforts to reduce inflation—we see now a further effort to say: "Do not mind inflation. Let it go ahead. The people will pay for it."

The people have to pay for it because we are dependent upon petroleum products to do our business, to travel and to maintain the economy of this province. We are in that dangerous situation now where already our petroleum products are 10 cents a litre more in Ontario than they are in the United States of America.

This again affects our economy because Americans, whom we would like to welcome here as tourists and visitors, come up and have to pay so much for gasoline that it begins to take away some of the advantages of our dollar difference. We want to have every advantage we can in this province to make it attractive for people to come here to visit, to work, to prosper, and so we can establish an environment for success, an environment for business. It is government's responsibility to do that, not take



away that incentive and undermine that whole purpose we have had in this province for so long.

The people in Ontario have built up over a period of years that sense of knowing things would be okay. Now, here we start having inflation come back. We start having this basic undermining of the future of our province.

What is the tax for? If the money was going to be invested to promote more industry and high technology, if the money were to be used for seniors in this province so they could have more of the services they require such as nursing home spaces and chronic care beds, if the money was going to be invested back into the province in the ways in which it is most essential right now, then I could begin to have some satisfaction that it was purposeful.

Instead, we are seeing a pot being built, a pot of money which could be used by the new government at its own discretion, at its own disposal, to do what it wants. We have no idea how those moneys will be invested back into the province.

I am concerned that if we are going to tax such a fundamental product that is so basic to the future of our province, then we should not be doing it at the price of fuel. There is plenty of evidence of that when one looks at the old Liberal and the new Liberal.

I refer now to an article in the *Globe and Mail* which quotes: "The former opposition leader, who is now the Honourable David Peterson, asked the government back in December 1984 to investigate the increases in fuel at Gulf and Texaco stations in Metro Toronto. Mr. Peterson asked Consumer and Commercial Relations minister Robert Elgie in question period whether it appeared somewhat conspiratorial that they were all getting together at one point to jack their prices up."

I now ask the Liberal government, the Premier (Mr. Peterson) and his friends, the Treasurer and the people there who are doing these things, is there something conspiratorial in what they are doing in jacking the prices up? I say there is because it undermines the very fabric of our province.

I am sorry the Minister of Natural Resources and Minister of Energy (Mr. Kerrio) is not here. He was at the same time in the same question period pressing for a reduction in the cost of gasoline. He said that, "Lifting the tax on gasoline," which he said was 0.8 cents a litre, "would be a major step in making gas more economical." That is true. I am so pleased they quote him on such a basic thing. Reducing the

gas tax by any amount would make it more economical. He was pressing the member for Lincoln, the Honourable Philip Andrewes at that time—

**Mr. Andrewes:** The former honourable.

**Mr. Cousens:** — the former honourable, but still honourable in so many ways—to remove that gas tax.

Now what do we see. We see the same Minister of Natural Resources and Energy with his friends in the Liberal Party, the new friends, the cronies they all are, increasing the price of fuel. That is not where they should be going. It is not keeping the faith. It is not keeping the trust.

When we look at the price of gasoline around the world, here is a chance for us in Ontario to offer an advantage to other people and say to them, "Not only do we have a beautiful environment here," and we do, "not only do we have a good educational system," and we do, "and health and social services, but also the whole fabric of this province makes us proud to be Ontarians and proud to be members of the Legislative Assembly representing the people of this province."

We do not want to be leaders on the level that we are now coming to be, leaders in the price of fuel. Fuel prices are at such a level that we are now among the 98th percentile of those people who charge the most money for gas. It is such a basic ingredient to our success that if we went and offered an advantage by reducing our price of fuels instead of increasing them, then we would begin to attract more the business ventures and the opportunities for people to come and settle in this province.

Why do we not set an example along with some of the other provinces that have done something about gas tax?

The Minister of Revenue or the Treasurer, or whatever post he is in this evening, should know that Manitoba has a fixed rate of 8.9 cents for a litre of regular leaded gasoline. There is no fuel tax in Saskatchewan and Alberta. Why can we not bring that kind of advantage to the people of Ontario? Why can we not be leaders for a change in that kind of fundamental way? It would be a way that would promote more economy for the province and would generate more tax dollars through the increased business that would take place.

Canadians are paying too much at the gas pumps. We have higher taxes on gasoline in this province than we should have. We could negotiate with Ottawa to reduce its share of gas taxes and, through the leadership that could be

given by our own Treasurer and Minister of Revenue, we could begin to move in a positive way to strengthen this province.

**9:30 p.m.**

There are key organizations that are asking for this kind of relief. The Canadian Automobile Association wants to see the federal and provincial governments lower gas taxes. Robert Erb, vice-president—I wonder if he is any relative to—no, it is not Herb Epp, it is Robert Erb—said the CAA wants the federal and provincial governments to lower taxes. He says, “If you are depending on an automobile a high level of tax is unfair and creates a high level of unnecessary hardship.”

According to figures from the US energy information administration, average gas prices in the United States are expected to fall from an average of 42.2 cents a litre, that is 32 US cents, in June to 40.2 cents, that is 29.8 US cents, a litre by the first quarter of 1986.

People who care and people who know are pressing for some kind of solution. We, too, should be pressing for that kind of solution so we can see the progress in this country that we want to have. Some people have the idea that the oil companies are the bad guys. They are not. The bad guys are are right across from us here, Mr. Nixon, Mr. Peterson—

**The Deputy Speaker:** Would the member please refer to people by their cabinet title or their riding?

**Mr. Cousens:** The Treasurer and the Premier, these are the villains and the bad guys of the province. Anyone who is going to tax people for gas and for fuel really has failed to understand the needs of the province.

Let us look at the gas companies, and I am referring now to the *Globe and Mail* in an article on July 25. One starts thinking of these companies and says, “They are rich.” The fact is that Texaco is spending between \$75 million and \$80 million for expansion and improvements at its refinery near Fort Erie and it cannot afford to continue losing money.

They are not making money, and if we again increase the tax people will continue to reduce the use of their cars; consumption will go down. Pretty soon people will not even be able to afford a second car. Pretty soon the economy will grind to a halt because the government will have discouraged them.

**Hon. Mr. Nixon:** What doom and gloom.

**Mr. Cousens:** I do not want to be a doom-and-gloomer, but the province is going to be the

net loser if we do not maintain a strong, viable climate for industry to succeed.

What will be the future of Ontario should we continue to have these price hikes in essential services and no relief in sight from some of the other taxes they have to pay? This province will become a second-class province, and there is not one of us who wants to have that. We want to continue to be viable and strong.

If the Treasurer were to consult more with the people who know and understand, with the taxi drivers who know they are going to have to increase their service costs, with the delivery people who are taking deliveries all across this town—

**Hon. Mr. Nixon:** Taxi drivers do not like Tories in Toronto.

**Mr. Cousens:** They would like it a lot better if we brought the price of petroleum down. People would be using their services an awful lot more. We need to look at all the people who are affected by these taxes and, in looking at them, respond to the problem.

The Treasurer is an honourable man and a good man and, as I listened to the former mayor of Sudbury, a man for whom we have great respect. But we would have greater respect for the Treasurer if he were to make one significant move now and bring about a new look at the fuel taxes in Ontario so that the small person and the big person and every person in this province— young, old or middle-aged like himself—can benefit from a balanced approach to the cost of true services.

Government cannot continue to tax everything. If we were to begin now to look at a fresh way of gathering these taxes it would be a time for all of us to rejoice. I would join with the member for Sudbury (Mr. Gordon) in toasting our grand and generous Treasurer, who will have reconsidered this tax, who will come back with an amendment to this tax when we go to committee of the whole and who will then have the unanimous support of this House and will know that he is responding to needs not only as expressed by my colleagues but as expressed by the people of this great province.

**Mr. O'Connor:** I welcome this opportunity to make a few brief remarks with respect to this bill, and I can assure my friends they will be brief.

I have heard with interest the very articulate and erudite remarks, comments and arguments made by many of the members of this House on this bill. It concerns me, and I am somewhat curious, that most of the statements made to date have been made by members on this side of the



House, and particularly our party. I wonder why, with respect to such an important bill, it falls to us to carry the burden of defending the people of this province against its iniquities. The silence of our friends in the New Democratic Party and the members of the government is curious indeed. I am wondering when they will join the debate and either defend, in the case of government members if they think the provisions of this bill are correct, or oppose them on the record if they think they are incorrect, as we are doing. We are doing our duty in this party.

I heard with interest the arguments made by members as to the dangers of the bill, the inequities it will produce for elderly people, those in the north, everyone who owns an automobile and everyone who consumes goods and must therefore rely on transportation services to acquire goods and services. That means everyone in this province will be affected by the significant increases in the cost of transportation which will be brought about by Bill 50.

However, much has been said on these subjects and I wish to deal only with one section which is of concern to me as a lawyer and someone who has some experience and interest in the judicial system in this province. I refer to section 5, which repeals subsection 18(3) of the current act. For the benefit of all members, I will read subsection 18(3):

"The minister may for any purpose related to the administration or enforcement of this act or the regulations, with the approval of a judge of the Supreme Court, which approval the judge is hereby empowered to give upon *ex parte* application, authorize in writing any officer of the Ministry of Revenue, together with such members of the Ontario Provincial Police force or other police officers as he calls upon to assist him and such other persons as are named therein to enter and search, if necessary by force, any building, receptacle or place, or any motor vehicle powered by fuel, for documents, books, records, papers or things that may afford evidence as to the contravention of any provision of this act or the regulations and to seize and take away any such documents, books, records, papers or things and retain them until they are produced in any court proceedings."

We recognize the necessity of empowering officers of the Ministry of Revenue and others to search and seize documents and records in order to carry on an investigation of those who are alleged under this act to have violated its provisions. I am not concerned with that. That is a normal and necessary prerogative of law

officers of the crown when carrying out their duties.

However, the important part of that section is that it empowers these people to do these things only upon the approval and authority of a judge of the Supreme Court; that is, a judge of the highest court of this province. The makers of that section, this Legislature, on previous occasions, in granting that power only upon the authority of a Supreme Court judge, must have concluded, and logically so, that to search and seize under the provisions of this act was a serious concern, and a possible serious deprivation of the rights of people who owned and occupied the premises which were to be searched and who owned and had possession of the documents which were the object of the search.

**9:40 p.m.**

It was considered such a serious concern that only the highest judicial figure in our province was empowered to authorize such a search. When this kind of infringement of the rights of our citizens is to be allowed, it must be done so with considerable concern, only with the authority of a judicial figure of the highest order who has examined the need for such search and has, after due consideration and application of his judicial wisdom, authorized such search. This bill proposes to repeal that section. The effect of that repeal, for purposes of enforcement of this section by way of search and seizure of documents and other matters, is to leave us with only the provisions of the Provincial Offences Act.

If we read the relevant sections of the Provincial Offences Act relating to the powers to search and seize, specifically section 142 and following, we see such powers are granted in circumstances authorized by that act upon the authority of a justice, who is defined under that act as a justice of the peace or a provincial court judge.

A provincial court judge does not concern me to any great extent. A provincial court judge is a judicial figure. He is a lawyer who is fully involved in the judicial system and tries and hears cases on a daily basis. I have little concern with that provision. I note, however, in my experience, that provincial court judges very rarely, if ever, become involved in the administrative end of the process, in other words the examining of applications and supporting affidavits for search warrants.

The traditional method of obtaining a search warrant in the lower court system, the provincial court system, is upon application to a justice of

the peace, who, upon hearing evidence of what is said and presented by way of affidavit, usually by a police officer, will in appropriate circumstances authorize the issuance of a search warrant.

The provisions of the Provincial Offences Act deal primarily with things such as parking tags and minor offences under statutes other than criminal statutes. While justices of the peace are well-meaning, hard-working, honest people, for the most part they are not even lawyers. They are sometimes gentlemen or ladies who have been appointed on a part-time basis to carry out a quasi-judicial or semi-judicial function.

My concern, and I think it should be the concern of this House, is that, whereas in the past this House has seen fit to allow the search and seizure in this type of case to be authorized only by the highest judicial figure in our system, we are now suggesting that personage be relieved of that authority and it be given to the lowest judicial figure, or semi-judicial figure in the case of justice of the peace, in the system.

I wonder what was going through the mind of the Treasurer when he felt this downgrading of the authorization was sufficient. We are in the era of the introduction of the Charter of Rights, and there is seeming agreement across this land to pay more attention to the civil liberties and rights of all of us, to enhance our rights and to upgrade them rather than to move in the opposite direction.

Investigations under this act very often involve very large amounts of money and assets. Trucking companies that allegedly have not filed the proper forms and paid the proper taxes can run into very considerable sums in important matters. I presume it was the intention of this House when it first passed this act to give recognition to the potential for very important matters and large amounts of money.

That is why the apparently unusual step was taken to protect those who were going to become involved in the system by requiring an infringement of their rights to be authorized only upon the authority of a Supreme Court judge. I therefore ask the Treasurer to be cautious. Perhaps he could explain to us in summing up what his thinking was in reducing this apparently previously necessary protection of the citizens of this province.

Perhaps there is an explanation. I would be interested, and I think the members of this House and the people of Ontario would be interested, in hearing that explanation. Certainly I will not be satisfied unless I can be convinced by some

persuasive argument from honourable members opposite or from the Treasurer himself. For that reason, unless some explanation is given, I intend to vote against this bill because of that section.

**Mr. Andrewes:** Might I say at the outset I am pleased to be able to participate in this debate. Some concern was expressed by members in the east and west lobbies about an apparent black spot on the screen on which the members are now enjoying watching their colleagues speak. Mr. Speaker, if you look here, this is the second black spot. If members are deceived by one spot, then two will double their pleasure.

I am very pleased to be able to speak on Bill 51, the Gasoline Tax Amendment Act. I do not want to give the Treasurer a litany of the poor roads in my riding; I do not want to give him a litany of the bridges that are falling down; nor do I want to give him a litany of the high costs of driving unless I am provoked into doing so. As I observe the clock, I am perhaps encouraged.

I have one or two examples of some of the disparity that exists in the Lincoln riding, a disparity that will be added to as a result of this burdensome tax increase. I would only remind the Treasurer of the constant needs of municipalities for the maintenance and upkeep of their roads and of the increased costs those municipalities will now have to bear for snow removal and for the maintenance of those roads as a result of this bill.

I would remind the Treasurer of the constant need for repairs on Highway 20 as it traverses the town of Pelham—the Treasurer is paying strict attention; I know he is hearing every word—and the constant needs of those of us who travel the Queen Elizabeth Way and who find it under continuing pressure as a result of lack of moneys to complete those three lanes to the great city of St. Catharines and on to Niagara Falls.

I have to say to the Treasurer that we are grateful for his government's expenditure on the Burlington Bay James N. Allan Skyway. I trust the Treasurer and Minister of Revenue will take some responsibility now for my loss of points as a result of being able to travel over that Burlington section at such a high rate of speed.

I will not be provoked to restate all the agricultural concerns, because there are occasions on which I, and I am sure the Treasurer, have been the beneficiaries of the rebate of a tax under this particular act. The previous government did spoil our fun somewhat, and I am sure the Treasurer would agree, by colouring the fuel we use on the farm and therefore spoiling some of



the opportunities we had to travel on a less expensive alternative than is currently the case.  
**9:50 p.m.**

There is one somewhat serious issue I want to raise with the Treasurer at this time, and that is the whole question of alternative transportation fuels. I think it was about 1981 that the previous government embarked on a program to encourage the use of alternative fuels. That was done at a time when oil prices were rising around the world, when there was generally great concern about diminishing oil resources and, therefore, diminishing quantities from which to produce gasoline.

Alternative fuels, such as propane and natural gas, were viewed as a reasonable opportunity to replace some of the gasoline that was used in transportation and to conserve those diminishing resources about which we were becoming so concerned.

The government, by rebating or withdrawing the gasoline tax on alternative fuels, or at least offering them for sale free of tax would be more accurate, provided some incentives for motorists in the province to convert to those fuels and use them on a regular basis. It was a useful tool, a useful measure. The previous government is to be commended for setting those goals. It gave a boost to the concept of using alternative fuels. It also provided many motorists with a significant saving, particularly those who were travelling on a round-trip basis so they could return to home base fairly regularly and renew their supplies of natural gas or propane.

Five years have now gone by. The technology is now proven. We know it works and that there is a saving in the maintenance of engines designed to use these alternative fuels. We know there is a saving to be achieved in the fuel itself. Perhaps it is time to reassess the forgiveness of tax on those fuels.

I am not saying this as an owner of a propane or natural gas-powered vehicle. I have no vested interest other than to say it bothers me a bit when I see taxis cruising back and forth to the airport on a regular basis, those Oldsmobiles and Cadillacs, those limousines about which the Treasurer will know nothing. I really doubt the savings the drivers and owners of those vehicles are achieving by using alternative fuels are reflected in their rates.

The lack of tax becomes somewhat punitive for those who are continuing to burn gasoline in their vehicles. I have said to the Treasurer that perhaps it is time he made that reassessment and gave some consideration to phasing out that

incentive so he could avoid the tax increases he has imposed. If he moved in a manner by which he would phase out this tax, those who have recently invested in the technology would not be punished.

Some of my friends in the business of manufacturing propane or distributing natural gas might object to this change. If the Treasurer is listening, some of them may not invite me back for breakfast at the Park Plaza. Nevertheless, I am prepared to take that chance and I hope I can still go back to the Park Plaza so I can keep track of the activities of the Liberal Party in this province.

That brings me to a more serious point, and that is how the gasoline tax in Ontario is viewed in other jurisdictions, namely, those provinces of this great country that are producers of oil and natural gas, because the fuel tax becomes a point of argument in this great debate.

I do not want to rehash the principle of ad valorem versus the specific tax. I went through that in my comments in one of the other bills put forward by the Treasurer in this budget. The irony of this change from ad valorem to specific really is a bit obvious when it comes at a time prices of oil and fuel are falling and therefore the benefit consumers would derive from an ad valorem tax would start to flow to those same consumers. This negates the argument put forward by the present government, the former opposition, when it felt so strongly about the ad valorem tax.

The further irony is that the tax not only would have fallen under an ad valorem system, but this Treasurer has seen fit to increase it. What he has done has placed a further burden on transportation. He has placed a further burden on the spinoff sectors, the costs of transporting goods and services to other parts of the province.

More critically, by increasing this tax he has painted his government into an even narrower corner in its relationship with the energy-producing provinces and with the federal government. I have to ask the Treasurer what credibility remains in that national debate, particularly the national debate that now goes on about natural gas pricing, when his government goes to the table to discuss these prices at a time when it is taking advantage of an energy usage within the province.

We saw the puffery of the present Premier and the present Minister of Energy in April and May during that great period of time when we consulted the people of this province. We heard the puffery and we heard the words: "Who is

standing up for the people in this province? Who is standing up for Ontario?"

That puffery has turned somewhat more muted—perhaps purring would be a more appropriate name—now that it is October and November, the election is over and the Liberal party has assumed its responsibilities as the government.

So I ask the Treasurer, and through him the Minister of Energy, where is the \$1 reduction in natural gas prices he promised us? He refused to answer those questions when I put them to him in the House or to give me any basis upon which he was looking for this \$1 reduction. He refused to say when he would implement some of the necessary regulations through the Ontario Energy Board that would allow industries in this province to take advantage of that gas agreement. He refused because he has been torpedoed.

The Minister of Energy has been torpedoed by his Premier and by his Treasurer in his efforts to negotiate this gas arrangement, and now the winter across the province is going to be as cold as it will be in the village of St. George around Earl's stove, which has long since gone out.

**10 p.m.**

I say to the Treasurer that kind of confrontation negotiation tactics may be politically attractive and may have caught the eyes and ears of people during the election campaign, but it really accomplishes very little. I do not feel at all guilty about perhaps musing to some degree on those tactics, because as Minister of Energy it was my responsibility to be a part of that debate until the change of government. I felt very compelled to work diligently to build a bridge between east and west, between the producing and consuming provinces and between the governments of Canada, Alberta and Ontario. I felt compelled to build that bridge because I felt it was in the best interests of the people of this province.

The Treasurer knows that Albertans are very protective of their resource, whether that resource is oil or natural gas, and rightly so. They are as protective of that resource as we might be of the automotive industry in this province. It is their lifeblood. It is their basis for economic existence in Canada, and when they come to the table they are tough, aggressive and well-armed.

I ask the Treasurer to simply carry the message into the cabinet room that if one builds that bridge it is a logical position to take. It is in the best interests of this province.

The Minister of Energy will discover there is a great invention called the telephone and we do have aircraft in this country. If he travelled to Alberta he would find the Minister of Energy

there is a very approachable and affable individual. He might even spring for a lunch if the minister were to arrive on time.

The people in that province are willing to do business. The Minister of Energy in Ontario, if he were to travel to Ottawa more often or pick up the phone and call his federal counterpart, would find her, although very aggressive, an extremely competent and fair-minded individual.

This minister, the member for Niagara Falls, could make some attempt to bring these parties to the table—stop the whining and the inflammatory rhetoric he brought to this House, to the annual meeting of the Ontario Natural Gas Association and to other forums which he attended; stop fueling the war between the east and the west—and sit down with these people to talk business.

If he starts being a statesman, if he starts acting in the best interest of all the people of this province, the home owners, the farmers, the industries and those who are attempting to run the institutions of this province, he will find he is also acting in the interest of all the people of Canada. He should be working towards removing barriers, not building them.

He will find it is a pleasant change. He will find there are people of goodwill, and people of goodwill can achieve a great deal. I appeal to the Treasurer not to leave the Minister of Energy out on a limb by creating tax increases that allow the focus of the discussions to move away from the real issues and get lost in all the rhetoric of debate.

**Mr. Ashe:** I appreciate the time on the clock. We want to give the Minister of Revenue lots of time to answer all the eloquent questions and concerns that have been put to him over the last two or three minutes, hour or two, or day or two, as the case may be. I only have a few minutes, and I am sure he has heard this before, but I felt it important enough and I feel strongly enough about it that I did want to put it on the record. It bears repeating.

This is what I am concerned about. I appreciate we are speaking now to the Minister of Revenue, the Treasurer with a different cap on. The problem with this bill, the problem with both the Fuel Tax Amendment Act and, as far as that goes, the Gasoline Tax Amendment Act, is the people opposite said different things over the last few years when they sat on this side.

I could say the Treasurer, and in turn the Minister of Revenue in the collection sense, has to set priorities and has to raise money in whatever way seems to be most appropriate to the



economy at the time. Motor vehicle fuels, in one way or another, are always an appropriate way, as is tobacco, cigarettes in the general sense, and, of course, alcohol. But that is not what they said over the last number of years.

Earlier on my colleagues made references to times when the now Premier said: "Look at what that awful government over there keeps doing to the motorists and the truckers in this province. They have this awful ad valorem tax that keeps putting prices up." Even though the ad valorem rate has been frozen for a year and a half, that is the big puffery they went through.

They say, "We have a deal with the third party that says we are going to remove this." That is fair ball, but it has happened at a time when the chances are about three out of four, if not nine out of 10, that the projections for all forms of automotive fuels in the next two or three years, at least in the short-to-medium term, whether they be the diesel fuel part of the barrel, the gasoline part of the barrel or the aviation fuel part of the barrel, are that the prices are going to go down.

What does that Treasurer do? He makes headlines by taking off the ad valorem tax rate at a time when, if it were still on, the impact on taxpayers would be probably somewhat less. He not only has the audacity to make a big point of taking off the tax; he proposes raising it. That is just disgusting.

**Hon. Mr. Nixon:** That is what Ministries of Revenue do. Does the member not remember?

**Mr. Ashe:** I know, but at least when the members opposite are consistently singing out of the same hymn book and they consistently know what church they are in, it sounds all right. But that is not what those people have done, and that is what offends me.

**Hon. Mr. Nixon:** The member pretty well raised them all.

**Mr. Ashe:** It is not the fact they did it, but the fact they did what they were criticizing over the last two or three years.

My colleague the member for Lincoln (Mr. Andrewes) just referred to the problem with the west. Let me quote from a recent article out of a well-respected Toronto newspaper. The columnist is Orland French, not a favourite of this party and vice versa. Let me quote a paragraph I am sure will make the Treasurer squirm:

"But Mr. Zaozimy has a few dry comments to make about the Ontario budget. If the Ontario government is so concerned about the welfare of the consumer, he asks, why did it raise gasoline taxes?" We could put in there: "Why did it raise diesel fuel taxes? Why did it raise aviation fuel

taxes? Why did it raise the fuel that goes in our locomotives?"

The article goes on "And why did it remove the ad valorem tax at a time when oil prices are dropping, so that the gasoline tax"—again we can put it in any form we want there—"would remain fixed instead of declining accordingly?"

That is from somebody who was fairly supportive of the Liberal administration back in April and May, and the honeymoon still continues.

**Hon. Mr. Nixon:** That is when we needed them.

**Mr. Ashe:** That is true. But one of these times the press is going to catch on to the game over there and the honeymoon will be over. The taxpayers in this province will remember. Just keep that in mind.

**Mr. Speaker:** Does any other member wish to participate in the debate? If not, the Treasurer.

**10:10 p.m.**

**Hon. Mr. Nixon:** I certainly appreciate the advice and assistance given by the members on all sides in this important revenue bill, more or less the foundation of the whole revenue program for the budget, since it raises the tax on a litre of diesel fuel by 0.6 cents. At least I would have that impression from the emphasis given to it by the honourable members of the official opposition, who have spent many hours now describing how this is going to bring about the economic downfall of this jurisdiction.

It is hard to believe it is that bad since, to begin with, it was under their leadership in years gone by that the tax on diesel fuel got to 9.3 cents per litre. This is a small, in fact trivial, increase, hardly covering the cost of administration and, if the Conservative opposition had its way, probably most of it will be spent in increased indemnities and general travel allowances. It is hard for me to understand why they have made such a tremendous commitment of their oratorical capabilities, as well as the time of this House, to this bill, which is not of major importance in my view.

On the other hand, I do want to respond to the points that were made by some of the members. A number of my good friends on the other side from rural communities are worrying about the farmers being put to unnecessary additional expense. They should be aware, of course, that farmers are exempt from paying this tax, as they should be exempt from paying all taxes. I have not managed to engineer their exemption from all taxes at the present time, but certainly when they

buy diesel fuel, I for one, as this Minister of Revenue, am not going to tax them. We do not contemplate any change in that connection.

Another honourable member indicated that the cost of diesel fuel for the generation of electricity would be increased in remote towns, such as Armstrong, Ontario, where connection to the Ontario Hydro facilities is not possible. Members should also be aware that the fuel is exempt from tax there. They should also recall that north of 51st parallel no fuel taxes are payable even if the fuel is used in vehicles on the road. Elsewhere in the province, if the fuel is used for road vehicles the tax is payable.

Many of the honourable members, particularly in the Conservative opposition, were indicating that our Liberal policies in raising this tax to such a high level were going to have a deleterious effect on our economy. Whereas ours is only now going up to what they consider to be the astronomical level of 9.9 cents per litre, they should be aware that New Brunswick, which has for the present time a Conservative government, charges 10.2 cents per litre.

Prince Edward Island, which has for the time being a Conservative government, charges 10.9 cents per litre. Newfoundland, where there is a Conservative government, sort of, and where its oil is running right out of the sea, charges 12.7 cents per litre.

Alberta, which charges extra of the people of Ontario because we use its petroleum products, has no gas tax whatsoever. The interesting thing is that if one pulls up a 16-wheel pickup truck into a filling station in Edmonton, where there is no tax whatsoever, one pays the same per litre as one does here. The government does not get the money; the producers get the money. I have no objection to producers getting the money, but members should not get the idea that if the tax were to be reduced the cost to the consumer would be reduced. Under the system those people so strongly support and advocate, which I also support and advocate sometimes, these prices go up pretty fast and pretty high. I think I will let that point go.

Just in the moment or two remaining to me, I am concerned about the additional burden this puts on the trucking industry, and that is a fact. In this connection, members will be glad to know we have assigned \$1.5 billion for the maintenance, upkeep and capital costs of improving our highway system and that a special fund has been established to assist municipalities in improving their roads. This is not an earmarked tax, but I can assure members we are spending money on

improving the roads. I should also recall that trucks and trailers themselves are exempt from sales tax and that we forgo \$32 million in revenue that accrues to the trucking industry in that connection.

There is one other point, just in a second or two, on which perhaps I should respond to my honourable colleague who was good enough to come back from his busy schedule to vote tonight. It deals with a legal matter. We are changing the provisions of search warrants and allowing them to be issued by justices of the peace and provincial court judges rather than by Supreme Court judges.

I am informed by my very competent legal advisers in the ministry that this is really a much better and more appropriate procedure; that it follows completely the requirements of the Charter of Rights established by the government of Canada; and that anyone who is knowledgeable in the law in any way whatsoever would know about this and understand that this is a procedure that is to be welcomed by those who are interested in individual liberties and in serving the citizens in a fair and equitable way.

Having explained all the trivial objections put forward by the members of the official opposition, I would now expect the House to support unanimously second reading of the bill.

**10:27 p.m.**

The House divided on Hon. Mr. Nixon's motion for second reading of Bill 50, which was agreed to on the following vote:

#### **Ayes**

Bossy, Bradley, Callahan, Caplan, Conway, Cooke, D. R., Cordiano, Curling, Elston, Epp, Ferraro, Fontaine, Grandmaitre, Haggerty, Henderson, Kerrio, Keyes, Knight, Kwinter;

Mancini, McGuigan, McKessock, Miller, G. I., Morin, Munro, Newman, Nixon, O'Neil, Offer, Poirier, Polsinelli, Reycraft, Riddell, Ruprecht, Sargent, Scott, Smith, D. W., Smith, E. J., Sorbara, South;

Van Horne, Ward, Wrye, McClellan, Martel, Foulds, Mackenzie, Laughren, Cooke, D. S., Bryden, Philip, Swart, Charlton, Warner, Wildman, Grier, Breaugh, Hayes, Lupusella, Morin-Strom, Pouliot, Allen, Reville, Ramsay.

#### **Nays**

Andrewes, Ashe, Baetz, Barlow, Bennett, Harris, Brandt, Gregory, Johnson, J. M., Hennessey, Cureatz, O'Connor, McCague, McNeil, McFadden, McLean, Cousens, Gordon, Stevenson, K. R., Davis, Gillies, Leluk, Dean, Eves,



Shymko, Sheppard, Treleaven, Villeneuve, Bill ordered for committee of the whole  
Guindon, Marland, Pierce. House.

Ayes 64; nays 31.

The House adjourned at 10:34 p.m.

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No. 49

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**First Session, 33rd Parliament**

Friday, November 22, 1985

Speaker: Honourable H. A. Edighoffer  
Clerk of the House: R. G. Lewis, QC



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# LEGISLATIVE ASSEMBLY OF ONTARIO

Friday, November 22, 1985

The House met at 10 a.m.

Prayers.

## STATEMENTS BY THE MINISTRY

### ONTARIO HUMAN RIGHTS COMMISSION

**Hon. Mr. Wrye:** It is my pleasure to announce today several measures to strengthen the Ontario Human Rights Commission and to enable it to improve the quality of its service to the people of Ontario.

Since the last revisions to the Human Rights Code, the number of complaints of discrimination that have been registered annually has more than doubled. In 1981-82, 695 cases were registered with the commission; in 1984-85, 1,599 cases were registered. To handle the case load in 1981-82, the total staff numbered 83 persons; in 1984-85 there were 98 persons.

This government is convinced that more resources are required in this vital area of public administration. Accordingly, the Ontario Human Rights Commission is now being authorized to add to its staff 41 positions, 13 of which will be permanent and 28 of which will be contract staff. The contract staff will deal primarily with a case backlog of 1,100 during the next year. It is my expectation that with a constantly rising case load we will conclude that all, or the majority, of those 28 positions will be made permanent when the backlog program, now under way, is completed.

To assist in this important effort, Ms. Jean Read, currently director of the office of arbitration and a person with outstanding experience and ability in case management, is being seconded to the commission's management team. She will take responsibility under the executive director for the day-to-day management of the compliance staff of the commission, including a special backlog reduction unit.

In addition, a review of the commission's operations is being conducted with a view to putting into place long-term improvements that will enhance that commission's capacity to resolve cases expeditiously.

These additional resources and the in-depth analysis of operations are the first aspect of a three-pronged approach that this government

believes is required to strengthen the protection and enhancement of human rights in Ontario. As the Premier (Mr. Peterson) stated in his remarks to this House on July 2:

"Compassion means recognizing people's rights and insisting they be met. Unfair discrimination against women, minorities and the handicapped must go; full and equal opportunities must come."

The second component of our effort will be through legislative initiatives in such areas as equal pay for work of equal value, various forthcoming amendments to the Human Rights Code and a new approach to employment equity. The third component of our program will be the appointment of outstanding individuals to the Ontario Human Rights Commission.

Within the next few weeks, further announcements will be made on substantive legislative amendments to the Human Rights Code, as well as new appointments to the commission. These initiatives are all designed to confirm this government's unqualified commitment to the eradication of discrimination in Ontario and to ensure we are in the vanguard in protecting the basic rights of all Ontarians.

## SUMMER WAGES

**Hon. Mr. Kerrio:** I would like to update the House on the status of actions I have taken through my ministry and the Ministry of Labour regarding unpaid wages associated with Ministry of Natural Resources tree-planting contracts. I am pleased to advise the House today that I am taking action to ensure that workers receive the pay owed to them in a timely fashion. I want to make it very clear I am taking this action for this year only, and it will complement other steps we are taking to improve this contracting process.

I believe there are special circumstances and special cases right now involving groups that are particularly vulnerable, such as students and native people. Of the cases we know about, where a tree-planting contract employee has not been paid and where the Ministry of Labour has investigated and has placed an order to pay under the Employment Standards Act, we will ensure that funds are immediately available to pay the employees promptly.

The Ministry of Labour can make prompt payment through its existing processes. If this is not possible, my ministry will pay the employees directly. In such cases, I want to assure the House the Ministry of Labour will continue to pursue the contractors to ensure they meet their obligations fully.

My strong commitment is to get the disputed funds into the hands of the unpaid tree planters as quickly as possible, while the government deals with the contractors for payment. As the members may know, the Ministry of Natural Resources uses the Construction Lien Act to help in cases such as these. Under that act, the Ministry of Natural Resources has been withholding 10 per cent of the tendered price of a contract for 45 days.

In addition, there is a process in place within the Ministry of Labour that provides assistance to employees in collecting wages due to them. The Ministry of Labour can put an order against a company on behalf of employees who have not been paid. We shall ensure that employees are aware of this existing process, as well as action that may be taken under the Construction Lien Act or through the small claims court.

I also emphasize that the special provisions I am announcing today will apply only to situations where the Ministry of Labour's processes have been followed and where the validity of the claim has been established. As members will recall, I have previously outlined a number of steps we are taking to improve MNR's tree-contracting system.

We will ensure that contractors for the 1986 planting season provide all employees with information about the rights and responsibilities of both the contractor and the employees. We will require that all contractors attend one of a series of regional seminars this winter to make them fully aware of pertinent legislation and regulations. We will ensure that all successful contractors have high standards and good performance records. We are also looking at the possibility of bonding contractors or establishing prequalification and disqualification criteria which could be introduced before the 1987 planting season.

My ministry will closely monitor MNR tree-planting contractors. I wish to assure the House that we will make every effort to avoid a repetition of this unfortunate and inexcusable situation. I also urge other individuals or any of my colleagues on both sides of this Legislature who know of any employees hired to plant trees who feel they have been similarly wronged, to

get in touch immediately with the Ministry of Labour's employment standards branch or with my ministry.

10:10 a.m.

#### MUSKOKA CENTRE

**Hon. Mr. Sweeney:** I am sure all members of this House will have seen or heard the information circulated recently in the media concerning the Muskoka Centre for the mentally retarded. I would add that the member for Muskoka (Mr. F. S. Miller) and the member for Hamilton West (Mr. Allen) have expressed their concerns to me about this. I wish to respond to those concerns today.

Muskoka is a facility run by my ministry, and I want to report to members of the Legislature that I went up to the centre yesterday to see for myself exactly what is going on there.

I now can say categorically to the members that I am confident the care being given to residents of the centre is of good quality. Staff members care for residents as they would for their own family. The food is plentiful and nourishing. It is fed to those who are unable to feed themselves in a compassionate and encouraging manner. There is no overcrowding: the centre currently accommodates less than half the 500 for whom it was built.

In addition, day programs are provided. As a matter of fact, 205 of the 250 residents attend workshops and other programs during the day away from the facility.

As you may know, the basis for the present interest in the facility was a report from the Ontario Association for the Mentally Retarded that was submitted to my ministry and was later made public.

My ministry staff already had begun a close analysis of the OAMR's report, so I am in a position to tell members that in many of its assertions it simply is not true. Although at some point some of the assertions may have been true, most of these problems now have been rectified. For instance, even before the report was received, the centre was undergoing renovations and it continues to be improved. Yet more improvements can and will be made.

My ministry and the OAMR have a history of co-operating in the best interests of developmentally handicapped people throughout Ontario. Many of the improvements made at the Muskoka Centre are the result of understanding, collaboration and a common goal. I do not want to lose the co-operative and practical working relationship that has achieved so much for developmentally



handicapped people both in and outside of our institutions.

With continued co-operation in mind, I met personally with the executive of the OAMR on the issue of Muskoka Centre, and both the association and my ministry are determined to continue to work together to ensure that improvements continue to be made. As you may know, the OAMR has stated publicly its satisfaction with our efforts at Muskoka.

I remind the House that my ministry is working on two fronts: for the best in community living for developmentally handicapped people, and for the best in institutional living for those who are not able to benefit immediately from community living.

My ministry is committed to community living for as many developmentally handicapped people as possible. This commitment has been shown by the closure of four institutions since 1982. We, along with the OAMR, would like to see as many developmentally handicapped people as possible living in the community. This is a goal towards which we are moving as quickly as we can.

I also want the House to know that a number of parents have expressed concern that in the past few weeks the facility and staff at Muskoka have been cast in a negative light. They say they appreciate and find appropriate the care their relatives have been receiving.

I want to end this statement by clearly emphasizing to all members my full confidence in the staff at Muskoka Centre in their caring attitude to the residents and in their hard work to make the lives of residents as normal as possible. I applaud their efforts, their attitudes and their dedication in bringing friendliness and compassion to those they serve.

### ORAL QUESTIONS

**Mr. Harris:** Mr. Speaker, we understand that the Premier (Mr. Peterson) is coming in to the Legislature shortly. We were led to believe that the Minister of Health (Mr. Elston) was going to be here this morning. Is that the case?

**Hon. Mr. Nixon:** The Minister of Health is expected to be with us.

**Mr. Harris:** Here comes the minister.

### DEPO-PROVERA

**Mr. Andrewes:** My question is to the Minister of Health. The minister will be aware of the possibility that Depo-Provera, a drug that has been the subject of controversy around the world,

may be approved for use in Canada before very long.

Given the fact that this drug has not previously been approved for use as a birth control serum in Canada or the United States, and given the fact that Depo-Provera has been connected to various kinds of cancer, depression and various other side-effects, will the minister tell the House what, if anything, he can do to stop the federal decision, or at least to delay it until such time as members of the public have had a greater opportunity to make input?

**Hon. Mr. Elston:** I wish to thank the member for the question. Delay is something the members on the other side are very good at; they have been doing it for a number of years.

The people who make the decision about the licensing of drugs in this country are the federal authorities, but the honourable member will know that in this province we do have our drug and therapeutic quality control group, which reviews the drugs we use in this province. He will also know we work very closely through our laboratory facilities to deal with questions of quality.

I will investigate the licensing of that drug in Ontario and the federal decision that is to be made.

**Mr. Andrewes:** Recognizing the province does not, strictly speaking, decide whether or not to approve the use of various drugs, and taking into account at the same time the fact various studies have concluded there are a number of reasons to be concerned about the use of this drug, except in some very limited circumstances, will the minister agree to look for a way to stop the use of this drug on a wider scale in Ontario if the federal government goes ahead and gives its approval?

Will he, at the very least, ask the federal minister to hold public hearings? Failing that, will he agree to hold such hearings here in the province so that concerns can be put on the table and discussed openly before any licensing or approval?

**Hon. Mr. Elston:** I cannot control the licensing, as the member indicates, and obviously, failing public discussions, about which he has asked me to inquire with the Honourable Jake Epp, he can make the decision unilaterally with respect to how he wishes to proceed. Once he licenses that drug for Canada it applies in all parts of Canada.

I would like to bring to the member's attention the case of heroin, for instance. It is licensed now for use in all of Canada, and we have been trying

to work closely with the federal authorities in providing for its use in this province. We found, however, that the announcement of the licensing of that drug was done before final arrangements were made for the establishment of guidelines here in Ontario. We can do our best but we cannot stop what the federal authorities want to do with respect to licensing.

In addition, I would like to bring to the attention of the House that our drug quality group here in Ontario investigates even those drugs that are licensed by the federal authorities. It has in some instances found drugs that were not appropriate and has brought to the attention of the federal authorities some deficiencies that may have arisen after the licensing occurred.

I can assure the members of the Legislative Assembly and the people of the province that we are vigilant in the Ministry of Health with respect to the drugs that are licensed and with respect to the quality of drugs that may be seen to be interchangeable or substitutional. I can make a commitment to the honourable member and to the people that we will continue our vigilance on behalf of the health of the people of the province when it comes to drugs that may be licensed too quickly by federal authorities.

10:20 a.m.

**Mr. McClellan:** The minister will, I am sure, be aware there has been controversy in the past with respect to the use of Depo-Provera, since the previous government had permitted its use on developmentally handicapped women in provincial institutions. I am sure the member for Kitchener-Wilmot (Mr. Sweeney) will remember efforts to stop that practice.

If, because of some mishappening, the federal government licenses this drug, which has been demonstrated to have serious health risks attached to it—risks which are clearly identified in the compendium of pharmaceuticals—surely the minister does not intend to abdicate leadership and simply to permit this drug to be used by women in this province at the risk of their health.

**Hon. Mr. Elston:** I thought I had fully explained before that we will continue to be vigilant with respect not only to this particular drug and its use in the province but also that we will continue to monitor and be sure of the quality of all drugs consumed here in the province. I will not refuse to carry out that mandate. Quite to the contrary of the inference which could be gathered from that member's question, which was that we will be shirking our responsibility, we will continue to be vigilant.

**Mr. Andrewes:** I appreciate the minister's dilemma if the federal authorities go ahead and approve this drug. He has mentioned that the drugs and therapeutics service advisory group is there to control the use of drugs in this province, to investigate those drugs and to provide information. Would he be willing to provide that information to the medical practitioners of the province and to potential users of this drug if the federal government goes ahead and approves its use?

**Hon. Mr. Elston:** I have no problem with providing information to practitioners. In fact, in the Ministry of Health we receive requests for information not only on drugs but also on other health-related matters. We will continue to provide that. I see no reason for withholding information about the possible side-effects. I thank the honourable member for raising that particular suggestion with me.

**Mr. Harris:** I would like to stand down a second question until the Premier (Mr. Peterson) arrives.

**Hon. Mr. Nixon:** Mr. Speaker, on a point of order: I have just received a note from one of the Premier's assistants saying he is at the airport now and is on his way back, but they are not sure he will get here before the end of question period.

**Deputy Speaker:** Does the official opposition wish to defer the second question?

**Mr. Harris:** We will postpone it.

#### OVERTIME WORKERS

**Mr. Rae:** I have a question for the Minister of Labour about overtime. The minister will know there are 500,000 workers who worked more than 50 hours of overtime in September 1985, according to Statistics Canada figures. The minister will also know that in firm after firm there have been complaints raised by the workers themselves about the amount of scheduled overtime they are being expected to work.

We have had complaints from Inco, which we discussed yesterday, from several aluminum companies and from the workers of Northern Telecom, Stelco, General Mills and Boise Cascade. The human and statistical evidence is overwhelming.

Why is the minister delaying the introduction of amendments to the Employment Standards Act which would bring Ontario into line with most of the other provinces, establish the 40-hour week as a matter of practice—with four hours of permitted overtime to 44 hours—and recognize it is time we stopped overworking 500,000 work-



ers and started providing jobs for those people who are unemployed in the province?

**Hon. Mr. Wrye:** I am not quite as certain as the leader of the third party, who appears to have a fixed and firm position that is unalterable, that he has canvassed all of the aspects of this question. I am not as sure as he is that we necessarily have a final handle on the amount of overtime.

What I do agree with the leader of the third party on is that the figures we now have for the first time, the specific figures I quoted yesterday—for example, for Inco and Falconbridge—and some of the specific figures we are developing for Stelco and others, indicate the extent of the problem.

I also share his view that it is quite serious. There may be, and I am sure he would understand this, some exemptions needed for emergencies and the like. I do not think we ought to come forward too quickly with legislation that would be ill-thought. In conclusion, this government intends to move actively to get a handle on this issue and bring forward appropriate changes as quickly as is reasonably possible.

**Mr. Rae:** If the minister does not have this information I will share it with him. Is the minister aware that in one week at Northern Telecom more than 3,000 hours of overtime were logged in the plant? Another 4,500 hours of overtime were recorded in the office over a two-week period.

At Stelco the union did a survey which showed 12,400 hours of overtime were chalked up over a six-week period last winter. A Ministry of Labour report on overtime at General Mills this summer revealed that during 1984, 117 of the approximately 170 employees worked hours in excess of the hours allowed by the permit issued by the director. That is what is happening in the province, and the minister knows it. He can talk about complexities all he wants, but we have to have a position from the government.

Is he in favour of reducing the 48-hour permits, the special permits and the 100-hour permits over that? Is he prepared to bring in amendments to the Employment Standards Act which would do that? If he is prepared to do it, I can assure him on this side that we would be prepared to pass it in one day.

**Hon. Mr. Wrye:** I was doing fine until he got to the last part of his question. Yes, I am in favour of reduction. Yes, I will bring in appropriate amendments once we have reviewed the matter and know exactly which amendments are appropriate and reasonable in the circumstances. I

cannot give the member a final timetable on that, but we want to get on with the job.

Let me share a concern I have. I do not know whether the leader of the third party would share this concern. There may be some appropriate concerns that management might raise about inventories over a time and the need for some period of fairly intensive overtime because inventories have dropped or sales have picked up. That could lead to the economic wellbeing of the company.

I want to hear the views of management on these important issues because they may also have something to do with the economic wellbeing of the workers at those plants. Then we will bring forward the appropriate changes. The present policies are clearly, I agree with the leader—

**Mr. Warner:** Why does the minister not ask the fox how he likes eating chicken?

**Hon. Mr. Wrye:** Just hold on. The present 48-hour permits and the present 100-hour permits and the like allow far too many hours of work to go on.

**Mr. Gillies:** We can appreciate the complexities of this issue, but the minister will know we are not talking about—

**Hon. Mr. Bradley:** Here is the expert on overtime. Check their pockets.

**Mr. Gillies:** The leader of the third party is a Bobby-come-lately to this issue.

The minister will be aware that in many communities with higher-than-average levels of unemployment there have been expressions of concern by working people about the amount of overtime being worked. There have been demonstrations in London and in my riding of Brantford. Will the minister at least now look at restricting the overtime permits in communities with much higher-than-average levels of unemployment? We are not talking about maintenance overtime; we are talking about full shifts of regular overtime.

**Hon. Mr. Wrye:** Unlike the previous government, this minister is not going to do nothing. That is the first thing we are going to do. Unlike the previous government, we do not believe in an ad hoc approach, a little here and a little there approach to problems. We are going to—

Interjections.

10:30 a.m.

**Hon. Mr. Wrye:** They had 42 years to do it and they did not. The leader of the third party shares my view.

I agree with my friend the member for Brantford (Mr. Gillies) that there is a problem. I want to suggest to that member that while the problem does relate to the number of unemployed workers we have, it also relates to what the leader of the third party raised in his first question, that is, the number of hours some workers are being asked to work, week in and week out, month in and month out, and whether that is appropriate.

Frankly, this minister does not believe it is. We are going to look at the problem in terms of an overall policy determination, not just for Brantford and its problems but for the entire province.

**Mr. Rae:** Who knows: the Liberal Party may even embrace the revolutionary idea of a 40-hour work week; that really would be an astonishing move.

The minister should know, and I am happy to share this information with him because we are gathering it all the time, that we are hearing spontaneously from people across the province on this issue. For example, the Canadian Paperworkers Union, Local 238 at Boise Cascade, has told us that workers are putting in a 12- to 18-hour day or a seven-day week as a matter of course. The minister talks about inventory and so on; I am talking about scheduled overtime.

I am talking about a situation where companies are now expecting workers to give up that time with their families and telling them that is the way it is and that it has been approved by the Minister of Labour and by the Ministry of Labour. It is being done right under his nose with permits issued by people working directly for him and his ministry.

What is causing the delay? Why is the minister so unwilling to bring in legislation that will deal now with this situation? There is an unprecedented level of overtime being worked in the province, more than ever in the entire history of the province. More permits are being issued than ever before. When is he going to do something about it? He has had time to look at it; now is the time for some action on it.

**Hon. Mr. Wrye:** I think the leader of the third party will understand we have been looking at a few other things as well. However, he is right. We have been looking at it. We have had a number of meetings on it. We have had some discussions as to whether some interim measures would be useful to bring down the hugely inappropriate hours being worked while we put together a more comprehensive policy.

I can give the member the assurance that we will take a careful look at that. This minister

wants to make it clear that he shares the view of a lot of workers in Ontario that it is inappropriate to work 12 hours a day, seven days a week, week in and week out. The workers of Ontario have indicated they are finding, for personal reasons and for reasons of the unemployment problem we all share and we are all concerned about, that it has become inappropriate to them. They would like to see some reduction in the number of hours they have to work, and this minister agrees with them.

#### SMALL BUSINESS TAX RATE

**Mr. Foulds:** I have a question for the Treasurer. Did he realize that by paralleling certain federal tax changes in his budget that allowed the cumulative deduction defining qualifying income for the small business tax rate he allowed companies such as Eaton's, one of the largest privately held empires in the country, to qualify for the small business tax rate on part of its profits?

**Hon. Mr. Nixon:** One of the problems with paralleling was that. We raised the corporate tax rate by one half per cent to compensate. Small business tax rates were left at 10 per cent and the standard rate was raised from 15 per cent to 15.5 per cent. An alternative to establish a separate standard of identification for small business was extremely elaborate and complex. It would have made the returns by bona fide small businesses more expensive and time consuming. We thought by administering an additional one half per cent we could compensate on the broader basis.

We maintained the preferred position for small businesses in that they are exempt for the first three years of their incorporation. Also, they pay taxes on profit at the 10 per cent rather than the 15.5 per cent level.

The answer to the question is yes.

**Mr. Foulds:** As Eaton's is now clearly defined as a small business in the Treasurer's mind, what other major privately held corporations in Ontario are defined as small businesses? Does the Treasurer not think it is about time they were not so defined?

**Hon. Mr. Nixon:** I cannot give the honourable member a list because in the discussions Eaton's was always the one indicated as the problem. We are getting the revenue from their reported profits.

**Mr. Gregory:** In line with this tax increase to the larger corporations through the so-called 32-month plan, phase 2, in which there is a section of industry that is reaudited in a similar



fashion to what was done in the Department of National Revenue prior to the conversion a short time ago, does this make it easier for the Treasurer and the ministry to collect a larger slice of taxes from these people, so that on the audits he can bring in much more than the \$100 million that was brought in previously from that source?

**Hon. Mr. Nixon:** The honourable member has the advantage of having been Minister of Revenue longer than I. I am darned if I know what a 32-month reaudit is. Perhaps he might give me a little more information or assist me with the answer. Otherwise, I will find out and report to him.

**Mr. Foulds:** The Treasurer is charming and forthright in his directness, but does he not realize, now that this tax change has happened, it is entirely possible that the Eaton's of this world are now being treated more favourably than real small businesses for that portion of their income that qualifies? Does he not think it is his responsibility to present to this Legislature the amendments that could be proposed to the legislation which would eliminate the Eaton's of this world from this tax break?

**Hon. Mr. Nixon:** I can assure the honourable member that a very careful review of the situation he has brought to the attention of the House has been undertaken by the Ministry of Revenue and the Treasury. We will have an opportunity to review this matter in the estimates, which begin very shortly, and in debate on the bills.

When a detailed description of the various checks, balances and safeguards are described, the member will be able to agree with me that the revenues of the province are carefully maintained. Eaton's and its ilk will be paying their share; if not their fair share, at least a substantial one.

10:40 a.m.

#### DOMED STADIUM

**Mr. Gillies:** In the absence of the Premier, we will ask our second lead question of the Treasurer. It concerns the funding of the proposed domed stadium.

The Treasurer will be aware that at the standing committee on public accounts yesterday the Progressive Conservative and New Democratic Party members combined to pass a motion, over the objection of the Liberal members, that would set a limit of \$30 million to Ontario's contribution. What is the Treasurer's current policy regarding the funding of the domed stadium? Will he continue to leave the door open to additional public funds going into this project?

10:40 a.m.

**Hon. Mr. Nixon:** The specific answer is that we are not closing the door. I should then give the longer answer.

The province made a commitment of \$30 million, I suppose directed by the then Premier, Mr. Davis, who I understand did that without consulting the public accounts committee or, for that matter, his esteemed caucus. He was able and had the power to make certain unilateral decisions that the member for Brantford (Mr. Gillies) is as aware of as am I.

The \$30 million was paid by the former government to the Stadium Corp. of Ontario Ltd., but I must say the former government did it rather well. It said it would pay the \$30 million but it must be deposited in a non-interest-bearing account of the Province of Ontario Savings Office. The money is back under my control at present—that is, on deposit in the savings office—without payment of interest. It is available there for the stadium corporation to use as it sees fit in the development of the stadium, but only when the plans are finalized and approved.

I do not want to make the answer too long, but members will know that the original estimated cost was \$150 million. That was announced by the former Premier at about the same time as he announced his estimated cost of extending support for Roman Catholic schools. All of us who now have had to deal with that matter know that he was somewhat conservative, i.e. wrong, in his projections of the cost. We have had to live with these errors and we are prepared to do so because even Bill Davis was not correct in all things, although in many things he was correct.

We now find that the Davis projection of \$150 million is somewhat low and that harder heads have assessed the matter. The corporation has four proposals available which came in at something like \$220 million to \$225 million, which is a lot of money. So far, the corporation has not come to the government saying, "We need more money." I suppose it does not have to; it has indicated that it is attempting to raise that gap between \$150 million and \$225 million from other sources.

**Mr. McClellan:** Time.

**Hon. Mr. Nixon:** During the election campaign, the mayor of Toronto stated clearly that he did not feel Toronto or Metro should raise its \$30-million ante.

**Mr. McClellan:** Uncle.

**Hon. Mr. Nixon:** We have lots of time. When we think of the Grey Cup game being the day

after tomorrow and we came into this session this morning through freezing rain, sleet and snow, there are those people, not including myself, who will be going to the Grey Cup in Montreal—even though their stadium has a hole in the top—who are saying, “It would be nice if at some time Toronto had a similar facility.” I am not going to the Grey Cup game, and I do not know whether I have ever been to one. Maybe I went to the Grey Cup game one time.

When the decision is made, it is possible the province may want to increase its contribution.

Interjections.

**The Deputy Speaker:** Order.

**Mr. Gillies:** I say to the Treasurer, that is the best imitation of Jean Drapeau I have ever heard.

The Treasurer has left the domed stadium wide open for further provincial contributions. Metro Chairman Flynn has been very clear in saying there will not be additional money from Metro. The federal government will not be kicking in more through Canadian National. At the same time, the Treasurer is telling us there may be additional funding. Several weeks ago, the Premier (Mr. Peterson) said there would not be additional provincial funding.

The cost projections have grown by \$75 million. We have a very clear expression of sentiment by the standing committee on public accounts that the burden of the additional cost should not fall on the province. Will the Treasurer say now and unequivocally that the current government will hold to the \$30-million figure announced by then-Premier Davis?

**Hon. Mr. Nixon:** The clear answer is no. I hope we do not have to put in more money, but it is possible we may.

When I see the change in policy from the Conservatives I cannot help but agree with my good friend Paul Godfrey, who is well quoted in the Toronto Star today. I will not bother to quote his remarks other than to say that he said he was “disturbed and disgusted with the Tories” on their change of position. Like good little Tories, when Bill Davis spoke, they stood up, saluted and said, “Ready, aye ready.” Now that their leadership tends to be a little vaguer they are all over the map.

Our position is to support the commitment of the previous government for the \$30 million, but we wish to see the facts and figures and what is required. The decision will be one of great importance and will no doubt be discussed during the next few weeks, probably the next many months, in this chamber.

**Mr. Reville:** I am disturbed and disgusted that the Treasurer is prepared to play The Price is Right. However, since he is interested in playing The Price is Right, why do I not offer him the traditional three doors and see which one he wants to pick? Would he like to pick the door behind which is the advice of the standing committee on public accounts? Would he like to pick the door behind which is the advice of the Legislature? Or would he like to leave the cabinet door open and let \$100 million escape?

**Hon. Mr. Nixon:** I can assure the honourable member that the decision of the government is to maintain the \$30 million currently on deposit in the Province of Ontario Savings Office. I do not see anything wrong with that. There has been no indication from the board that additional funds are required. If a request is made to the government, the government will give it consideration.

**Mr. Gillies:** I do not think the Treasurer should have any confusion about the position of this party. In January, former Premier Davis said \$30 million; we are saying \$30 million, the New Democratic Party is saying \$30 million; and he is saying, “Well, we will see.” I am beginning to think my friend the Treasurer spent too much time in the sun the other week.

**The Deputy Speaker:** Question.

**Mr. Gillies:** The Treasurer will know the stadium consortium has not embraced the promised contributions by the other two breweries, some \$13 million or \$14 million. He will know there is other private sector money available to this project, money that was made available to the former consortium by Mr. Black is sort of lurking out there for the current consortium.

**The Deputy Speaker:** Question.

**Mr. Gillies:** Will the Treasurer give us an unequivocal statement that \$30 million is it from the province so that Mr. Connell can get on with the job of getting the additional private sector money that is needed to complete this project?

**Hon. Mr. Nixon:** No.

#### FRENCH-LANGUAGE SERVICES

**Mr. Villeneuve:** I am a little disappointed that the Minister of Community and Social Services is making ministerial statements to the press in Ottawa before apprising this Legislature of what he is going to do. He made a statement yesterday on expanding French-language services in the agencies that come under his ministry.

I would like to know first his definition of “designated areas”? Second, can he give us a



timetable for the implementation of his description of French-language services in these designated areas?

**Hon. Mr. Sweeney:** The remarks I made in Ottawa last night referred to the children and family services legislation, which was proclaimed in Ontario on November 1. A section of that legislation indicates that, where appropriate, French-language services will be delivered by the transfer-funded agencies that are supported by this ministry.

The words "where appropriate" were recommended to us by the francophone community from the eastern Ontario region. We had asked the community in various parts of the province how it believed this legislation should be worded. That was its recommendation and that is what was in there.

I also point out to the honourable member that the legislation and its wording were approved by all parties in this House last year, long before proclamation. The point I made last night in Ottawa was that those agencies in eastern Ontario that are going to be required to provide French-language service and do not have it now will have the support of my ministry in assessing and evaluating their needs and putting in place the human resources they will require.

10:50 a.m.

**Mr. Villeneuve:** Do I detect "where numbers warrant" in the minister's statement? I have heard that many times before. However, I have heard very different comments from the present government. Has the minister checked with a certain former member from Ottawa East, the present member for Ottawa East (Mr. Grandmaître) or the present member for Carleton East (Mr. Morin)? Do we detect here "where numbers warrant" for French-language services?

**Hon. Mr. Sweeney:** The significant difference now is that instead of these services being at the pleasure of the government they are guaranteed in legislation. The "where appropriate" designation refers to two things. First, where it is appropriate in meeting the needs of children and their families it will be provided.

In a broader general context, "where appropriate" obviously refers to the fact that it will be needed more in certain parts of Ontario than in others. Where it is needed most it will be implemented first. Where it is needed least we will have to work with those agencies to be sure they have the resources.

That is not going to happen overnight. I made a very clear statement in response to a question last night in Ottawa that it might take two, three or

four years before we are able to evaluate correctly what the needs are and to have sufficient professional staff to meet them.

The member knows even better than I do that there is a shortage of francophone professional staff in this province and that my colleagues in other ministries are attempting to work with the francophone community to address those shortages. The member knows as well as I do, for example, that there are shortages of francophone psychiatrists, physiotherapists and psychologists.

We are attempting to meet that need and we will continue to do so, but the francophone community that was present in Ottawa last night found my remarks most reasonable and responsive and said it was quite prepared to co-operate with me in implementation of this policy.

#### TORONTO APARTMENT BUILDINGS CO.

**Mr. McClellan:** I have a question for the Attorney General. On October 24 I asked him a question regarding the Toronto Apartment Buildings Co., arising from a Canadian Broadcasting Corp. news report with respect to two serious allegations: one, that Toronto Apartment Buildings Co. continues to charge illegal rents in violation of a Supreme Court order; and two, that Tabco threatened to evict students of the Radio College of Canada unless it was paid \$250,000.

My questions of the Attorney General are, when and by whom were these matters first brought to the his attention and what action has been taken since the matter was raised in the House on October 24?

**Hon. Mr. Scott:** The information that was obtained by the Minister without Portfolio, the member for Parkdale (Mr. Ruprecht), and disclosed in the House was, as the House now knows, disclosed to him in the presence of two investigators from the Ministry of Consumer and Commercial Relations. When that happened they began an investigation. That has been carried on in consultation with a law officer of my ministry, and when a report of the investigation is completed I will be glad to inform the House of that fact.

**Mr. McClellan:** With respect, I believe I have now asked the question four times and I am still not clear about the answer.

The matter that was brought to the attention of the Attorney General was regarding the allegations made about the Toronto Apartment Buildings Co.—not about some middleman, but about the allegations made about the two matters raised with respect to Tabco.

Were those allegations brought to the Attorney General's attention pursuant to this letter released by the Minister without Portfolio to two of his cabinet colleagues? Were the matters that were brought to the attention of three members of his cabinet ever brought to the Attorney General's attention with respect to Tabco's involvement in the violation of a Supreme Court order and Tabco's threat to evict students unless it was paid \$250,000?

**Hon. Mr. Scott:** The allegations that were made in the presence of the Minister without Portfolio, as I understand the matter, related to breaches of either the Residential Tenancies Act or court orders made under the Residential Tenancies Act. That information was provided in the presence of two investigators from the Ministry of Consumer and Commercial Relations, which would normally have charge of those investigations. Subsequent consultation occurred, as is appropriate and usual, with a crown law officer some weeks after that; I do not know when with any precision.

I want to emphasize that the investigation began in the ministry, which was the appropriate place for it to begin. It was conducted by investigative officers of the ministry's staff who were charged with residential tenancies investigations. When, if ever, it becomes necessary for them to consult a crown law officer they know how to do so, and they did so in this case.

The investigation is not complete and a report has not been made; when it is, I will advise the House.

#### TEACHERS' LABOUR DISPUTE

**Mr. Ferraro:** My question is of the Premier. The talks on the strike in my riding broke down last night. I should premise that by saying the strike is in its 49th instructional day. It was a valiant attempt on the part of the Minister of Education (Mr. Conway) to get these two brick walls together and try to come up with an agreement but, unfortunately, it failed.

I have to go back to my riding today; so I want to ask this question. I respect the Premier's straightforwardness as a leader. Surely it is time we legislated these people back. What is the position of this government vis-à-vis the strike that is dividing my community in Wellington South?

**Hon. Mr. Peterson:** I understand the pressure on the honourable member and others who have been through these strikes. It is not just the member from the great riding of Wellington

South; others in this House have encountered this as well.

The minister has dealt with this issue on a number of occasions. The member is quite right; the talks broke off last night at midnight after a valiant attempt. The mediator is discussing the matter with the Education Relations Commission today. The minister is in Timmins. I have not had an opportunity to chat with him this morning as I was delivering Governor Gu Xiulian to the airport and the minister is out of town.

That being said, at the moment I want to tell the member that the position of this government has not changed.

**11 a.m.**

**Mr. Ferraro:** For clarification, what we are then saying is that we still want a locally negotiated settlement and that we still have faith in the ERC, which on many other occasions has ruled that there was jeopardy in shorter time periods than the one that exists. To understand quite clearly, do I have to go back to my riding and say, "We are going to do nothing but continue with the charade going on with the ERC"?

**Hon. Mr. Peterson:** I look at these matters. There are strikes in many areas and there is pressure on us to solve every one, be it an ambulance strike or a teachers' strike. There are many around the province. We could spend the entire time of this Legislature solving labour-management problems or we can leave the decisions where they correctly belong.

I recognize the difficulty. It is a tragedy that the students are suffering for this intransigence. It is a local situation and it is a local responsibility, not ours. Sometimes this Legislature has to impose its will, but from my point of view it is the very last resort.

**Mr. J. M. Johnson:** The Premier fails to understand one thing. He has the responsibility to provide an education for the children of Wellington and he is not doing so. He has failed. Week after week his minister keeps saying it has to be a locally negotiated settlement; that is not going to happen. The kids have lost a year and it is time the Premier did something. For God's sake, govern.

**Hon. Mr. Peterson:** I appreciate the question from the honourable member. I do not mean to be in any way personally disparaging because I know the feeling he has, but I did not hear such passionate speeches from him when he was over here on the government side and we were going through much longer strikes.



Those guys have either lost their sense of responsibility along the way or have changed on so many issues that they are not very credible. I understand the member's concern and my remarks are not personally directed to him, but they are personally directed to some of those yahoos he is with.

**Mr. Harris:** I have a question of the Premier. He has stated today that his position has not changed. I am assuming that is the same position we have heard, that he is not going to do anything, that he is going to wait for a locally negotiated settlement and that he is not going to get involved personally.

I have difficulty with the statement he made to this Legislature on November 18, when he was asked about his involvement in the Toronto Transit Commission strike. He said, "I did not settle that strike and I did not intervene in any way." That was his argument for not getting involved or caring about the students at Wellington.

Can the Premier explain the words "did not intervene in any way" in his statement to this Legislature in the light of this heading in the Toronto Star, "Peterson Makes Bid to Avert TTC Strike"? The story says, "The Star has learned that Peterson met TTC general manager Al Savage late Wednesday night." Did he meet with Al Savage?

Can he explain "TTC Raises its Offer as Premier Steps in" or "The commission, under strong pressure from Ontario Premier David Peterson..." or "To help reach a settlement, Ontario Premier David Peterson asked his special adviser John Kruger to the talks."? Was John Kruger invited to the talks at the Premier's suggestion? How about "David Peterson, who kept a close eye on the talks and was pressing for a negotiated settlement..."?

**The Deputy Speaker:** Question.

**Mr. Harris:** Or "Wednesday night David Peterson told Savage and transit chairman Julian Porter to forget arbitration and bargain a settlement."

**The Deputy Speaker:** Question, please.

**Mr. Harris:** I have several more of these quotes. Can the Premier rationalize his statement for not wanting to get involved to help the students of Wellington and his words "did not intervene in any way"? How does that add up?

**Hon. Mr. Peterson:** There was possibly a misconception at the time that I solved that matter. I did not solve it in any way. Those

people came to their senses and solved the matter themselves.

I cannot account for what is written in the press every day, but I can tell the member that I did not sit down with the two parties and hammer out a settlement. I had an update meeting with some of the members of the board and that was the full extent of my discussions on the matter. I did not sit down and solve that. We had some very reasonable people there who understood the pressure, who came to a resolution and that is the way the system should operate.

**The Deputy Speaker:** If the member for Burlington South (Mr. Jackson) is going to interject, would he do so from his seat.

**Mr. Harris:** He is not going to interject anyway. No members interject from this side.

**The Deputy Speaker:** Except he was.

**Mr. Harris:** Was Mr. Kruger involved in negotiations at the Premier's suggestion? Did the Premier meet with Mr. Savage?

**Hon. Mr. Peterson:** As I told the member, some of the members of the TTC came to my—

**Mr. Bennett:** Did you or not?

**Hon. Mr. Peterson:** How is your hearing today?

**Mr. Bennett:** Very good.

**Hon. Mr. Peterson:** The member is hearing only the siren from Ottawa. He should turn his attention to his job here and he will hear what I just said.

I just said I had an update from the TTC; from Mr. Porter, Mr. Savage and some others. I said that some time ago. That is public knowledge, but I did not settle that strike and I will take no credit for doing so. If the member wishes to give me credit for that, fair enough, but I am far more modest than that. I had an update. The people came to their own decision.

#### ONE PER CENT BEER

**Mr. Swart:** I would like to put a question to the Minister of Consumer and Commercial Relations. Is he aware that many of the purchasers and consumers of the one per cent beer that is sold in the grocery stores are kids—many in their pre-teens? I have two cans of that beer here and I will send them over as my first gift to him, if I can have a page. I wonder if the minister will note—

**Hon. Mr. Bradley:** It is illegal. He is illegal.

**Hon. Mr. Elston:** Those are children.

**Mr. Epp:** He is under 19. The member is using him.

**Hon. Mr. Kerrio:** Mr. Speaker, on a point of order: I would like to know the age of the young person who just delivered this beer.

**The Deputy Speaker:** I do not believe that is appropriate.

**Mr. McClellan:** That is exactly the point.

**Hon. Mr. Nixon:** The member is contributing to delinquency.

**Hon. Mr. Peterson:** Could he send over a sandwich, too?

**The Deputy Speaker:** Order. The member is trying to put his question.

**Mr. Swart:** The minister will note that it is packaged like beer and I am told it tastes like beer. It is beer with a lower alcohol content which is sold in six-packs. Does the minister realize there are an awful lot of parents concerned about their kids getting hooked on this and moving right on to the real stuff in their early teens? Does he share that concern or is it part of his long-range plan to increase consumption of alcoholic beverages, particularly by the young?

**Hon. Mr. Kwinter:** There were several questions in the member's statement. I would like to say that my responsibility, when it comes to the marketing of alcoholic beverages, is under the Liquor Control Board of Ontario. These products are not sold through the Liquor Control Board of Ontario and they are not considered alcoholic beverages under the act.

**Mr. Swart:** I might inform the minister that he still has responsibility and if he is concerned about this, why does he not simply amend the Minors' Protection Act, which he has the power to do, to prohibit the sale of this beverage to minors?

**Hon. Mr. Kwinter:** Again, this has not been brought to my attention as a problem. It is an area that is not under the jurisdiction of the Liquor Control Board of Ontario.

**Mr. Swart:** The Minister of Consumer and Commercial Relations can change it.

**Hon. Mr. Kwinter:** It has not been brought to my attention as being a problem. If the member can demonstrate that it is a problem, we will react to it.

11:10 a.m.

#### PCB DESTRUCTION

**Mr. Andrewes:** I have a question for the Minister of the Environment. Will he update us on the activities and progress of his ministry towards the licensing of polychlorinated biphenyls destruction technology?

**Hon. Mr. Bradley:** I want to thank the member for this question because it is of particular importance, I note, to his riding, specifically in the area around Smithville.

The member will understand that I have been preoccupied with the St. Clair River activities, but according to my last knowledge we are in the final process of fine-tuning the regulations that deal with this, and we have had discussions with a number of groups and organizations that are interested in providing this service. I will be very pleased to complete my answer to the member on Monday by providing him with the fine details of this. He has a very legitimate concern in that area. His government allowed the largest accumulation of PCBs in Ontario to go into his riding, and I want to help him solve that problem.

**Mr. Andrewes:** I appreciate the minister's comments and his help. I am not sure the member for Parkdale (Mr. Ruprecht) would feel quite as comfortable with that answer as I might.

Will the minister assure municipalities across the province, such as West Lincoln, where, as he indicated, there are some 40,000 gallons of PCBs in storage, that he will move expeditiously towards the licensing and approval of technologies that will eliminate once and for all the risks or potential risks of these storage facilities?

**Hon. Mr. Bradley:** I will give the member that assurance and indicate to him that, in addition to moving expeditiously in the licensing of the organizations that will be involved, I will also ensure there will be a full public consultation before it takes place so the people of the municipality he represents will have input on the site-specific problems that might arise and on the technology. I have made that commitment previously and I give it to the member again.

**Mr. Lupusella:** Considering that the greatest accumulation of PCBs in storage is located at the Canadian General Electric Co. Ltd. plant at Lansdowne and Dupont, and also considering that the member for Parkdale raised this issue so vividly during the last provincial election campaign and before that mobilized the community at large in Metropolitan Toronto, can the minister explain to this House what his ministry is going to do to solve the problem affecting the General Electric plant at Lansdowne and Dupont?

**Hon. Mr. Bradley:** I thank the member for drawing to the attention of the House the very significant role that was played by the member for Parkdale in developing these regulations. His input was extremely helpful in the development of the final regulations that we are involved in at this time.



One of the items we wanted to ensure was a provision for consultation because, as the member has aptly brought to the attention of this House, we would not want to have any technology used, particularly with the class 1 PCBs, that would have an adverse effect on the community.

That is why, instead of simply allowing what I would call an open house or something of that nature, what we did was to apply a full public hearing, which will take into account two things: first, the technology we would be using anywhere in the province; and second, and I think equally important to the member for Dovercourt (Mr. Lupusella), the site-specific problems that might arise.

**Mr. Davis:** On a point of order, Mr. Speaker: I wonder whether the Premier (Mr. Peterson) would inform this House in his seriousness and his intent to bring a resolution to the strike in Wellington county—

**The Deputy Speaker:** That is not—

**Mr. Davis:** Just a minute; I have my point of order. Why has he allowed Norman Bernstein, the chief negotiator, to go to Montreal to watch the Grey Cup game when the kids are out of school?

**The Deputy Speaker:** That is not a point of order.

**Mr. Gillies:** On a point of order, Mr. Speaker: After five years, I think I finally have a real point of order. I am sure the standing orders prohibit the consumption of food or beverages in this House. The convention always has been that we only drink water in here. I just saw all the front-bench members of the Liberal government sampling the offending beer-like substance that was brought to our attention by the member for Welland-Thorold (Mr. Swart).

My concern is that, first, it offends the conventions of the House; second, this government has enough trouble when sober, I would hate to see what would happen if they had been drinking.

**The Deputy Speaker:** That is not an appropriate point of order.

## MOTIONS

### PRIVATE MEMBERS' PUBLIC BUSINESS

Hon. Mr. Nixon moved that the member for Wellington South (Mr. Ferraro) be deleted from the order of precedence for private members' public business and that all members of the Liberal caucus listed thereafter be advanced by one place in their turns and, notwithstanding standing order 64(h), the requirement for notice

with respect to the ballot item 10 standing in the name of the member for Wentworth North (Mr. Ward) be waived.

Motion agreed to.

## COMMITTEE SITTING

Hon. Mr. Nixon moved that the select committee on energy be authorized to meet following routine proceedings on Thursday, November 28, 1985.

Motion agreed to.

## ORDERS OF THE DAY

### MISSING CHILDREN

Hon. Mr. Nixon moved, seconded by Hon. Ms. Caplan, resolution 11.

Reading dispensed with [see Votes and Proceedings].

Motion agreed to.

**11:20 a.m.**

House in committee of supply.

### ESTIMATES, MINISTRY OF REVENUE (continued)

**Mr. Lupusella:** I would like to continue my constructive criticism which I initiated on Monday.

My thinking was based on the principle and mandate of the minister in relation to particular acts of which he is in charge, such as the Agricultural Development Finance Act, enabling legislation for the Province of Ontario Savings Office, the Assessment Act, the City of Toronto 1981 Assessment Complaints Act, the Corporations Tax Act, the Fuel Tax Act, the Gasoline Tax Act, the Income Tax Act, the Land Transfer Tax Act, the Ministry of Revenue Act, the Ontario Guaranteed Annual Income Act and the Ontario Home Buyers Grant Act, 1975.

I really do not understand why this last act is still there; I do not think it is active. In 1975 the former administration gave a \$1,000 grant to people who were buying their first home in Ontario. Even though I understand the act is still in place, I do not think there are funds available to give to people who are willing to buy their first home. They should have some source of relief from the province. I would like to remind the minister there was nothing in the budget that was introduced some time last month for people who are not able to afford the price of a house. Some source of funds coming from this province would alleviate their problem.

I would also like to remind the minister that in the last federal budget, as I understand it, the

\$1,000 that was given by the federal government as a home ownership grant was discontinued. I hope the Minister of Revenue (Mr. Nixon), who is also the Treasurer of the province, will take this issue into consideration in the next provincial budget and try to help people who are unable to afford to buy their first house.

The minister is also in charge of the implementation of the Ontario Pensioners Property Tax Assistance Act, the Provincial Land Tax Act, the Race Tracks Tax Act, the Retail Sales Tax Act, the Small Business Development Corporations Act, the Succession Duty Act Supplementary Provisions Act, 1980, and the Tobacco Tax Act.

There are so many acts at the Treasurer's disposal just to raise funds, but the only one that gives him credibility for not being only a tax collector is the Ontario Pensioners Property Tax Assistance Act. The former administration introduced this act, not only to assist senior citizens in Ontario, not only to release them from the skyrocketing process of property taxes, but also to give some credibility to the Minister of Revenue as being not only the minister raising funds in Ontario from any source of taxation but also the man in charge of trying to assist senior citizens.

I made an elaborate and extensive contribution to the debate affecting that ministry in relation to the operation of the property assessment system, which in 1982, 1983 and 1984 generated a great degree of concern in the Legislature. We also focused upon the administrative practices of the ministry in performing the assessment function and the related assessment notices and appeal provisions; the basic inequities in the assessments of properties within the same municipality, in the city of Toronto in particular; the practices of the ministry in conducting reassessments for renovations and other improvements; and the specific concerns relating to condominium assessment.

This type of debate took place in the past from the Liberal Party, when it was the official opposition party, and the New Democratic Party as well raised this issue, which affects so many people in Ontario. Individual members, particularly from the government side, raised the issue of the assessment methods related directly to the specific assessment problems of constituents.

If I recall correctly, 1981 was a year in which people really paid the price of an unfair system and an unfair practice by the Conservative government in the middle of an economic recession that was leading so many people across the province to lose their homes because interest

rates and the price of a home were skyrocketing. In the middle of this market value confusion, the former administration sent out the so-called mandarins employed by the ministry to penalize people further and increase the assessment on their property.

Of course, when I speak about this issue, I speak with some sense of frustration because people in my riding were coming to see me in my constituency office with notices of assessment increases that sometimes reached 100, 150 or 200 per cent. Most of the ethnic people did not know they had an opportunity to appeal.

When we talk about the democratic process of this province there is always a remedy: one can appeal, one can go through the structure of the appeal system and make one's point before someone who has been appointed by the provincial government. If one is lucky one wins the appeal, or else pays the cost of a particular political decision made because the party in power is looking for more revenues and those revenues must come from somewhere. In 1981, 1982 and 1983 the revenues for the province and the municipalities were generated by a skyrocketing process of assessment on property taxes.

I am going back to this point again because, as I stated, in 1981, 1982 and 1983 a lively political discussion was generated on the floor of this Legislature. A lot of members of this parliament really raised the genuine political concern that was affecting their constituents. I will never forget in 1981 and 1982 the Riverdale riding was under siege and attack from the former Conservative administration to increase assessments beyond the level of taxation that people really could afford to pay.

**11:30 a.m.**

In 1981, in the middle of unemployment and an economic recession, the great riding of Dovercourt became the target of the unwise Conservative political manoeuvres to increase the taxes of people who could not find jobs. As members may recall, I raised this particular and genuine concern in the budget debate, in which I emphasized the fact that there were people living in my riding who were unemployed as a result of the economic recession of 1981 and urged the government to do something to make sure they got some sort of help from this province.

The Conservative government's help was in the form of a \$500 grant to employers willing to hire people who were unemployed as a result of the economic recession and because they were too old to be hired. The \$500 grant given to employers across the province did not last too



long. When the money was gone, the individual was without a job. I am sure the Conservative government did not attach any stringent conditions to the grants.

In my humble political opinion, the \$5,000 grant was money given away. It was not constructively utilized by the employers across Ontario. Where did the money for the \$5,000 grant come from? From taxes from property owners, along with other forms of taxation which have taken place under this ministry.

The assessment issue has been discussed in the past by the province and by the city of Toronto. Metropolitan Toronto has also been specifically reviewed. I have a genuine concern about this issue. I understand the Goyette report generated some political action from the Liberal government. A task force has been formed, consisting of mayors and people appointed by each municipality.

I do not know when the work of this task force is going to be finalized, but I would like to warn the minister and the government representatives against carrying on this task force. There is a conflict of interest involved when the mayors or their representatives are sitting on a task force in which they have an interest. They want money from the property owners; the province is also looking for funds from property owners. As a result of this conflict of interest, I do not know how truthful the municipalities are going to be in relation to tackling the issue of concrete property tax reform in Ontario.

Time is running out and people are frustrated. Let us not forget the people who were so unfortunate in 1981-82 as to lose their homes because of interest rates and because of the reassessment which took place at the same time.

Another major general concern in the estimates debate has been the operation and administration of various taxation and grant programs which are implemented by the ministry. For example, in the past there was a concern raised by several members of this Legislature about the inefficiency in the processing of senior citizens' grant cheques. This concern was repeated by opposition members and, as a reflection, questions were raised by individual members on behalf of constituents on the floor of this Legislature.

I understand the system has improved a little bit since then, but there is always room for further improvement. When we talk about senior citizens I think the present minister and the former administration should take a look at the motions which have been moved by the New

Democratic Party on this side of the Legislature, which really took the needs of the senior citizens of Ontario into consideration.

The issue that senior citizens should not pay the portion of money allocated for education is a genuine concern which should be taken into consideration. This process, which is a radical one if we are going to listen to the Conservatives and perhaps to some of the Liberal members, would alleviate the needs of senior citizens across Ontario. They made their economic and social contribution to the economy of this province and to the provincial government.

They paid their share when they had children and sent them to school. They paid their share of the cost of education. Although I understand the \$500 grant is some sort of social and perhaps political recognition that must be given back to senior citizens, I do not think it is really enough to recognize the valid contribution given to our society by senior citizens across Ontario.

I would like to warn the Minister of Revenue and government officials that the municipality of Toronto has, as a token gesture, suggested the \$500-property tax grant is not enough. They suggested \$1,000. Again, I do not want to commit a sin in the sense I really do not know the political motivation of that particular suggestion, but the recommendation made by the New Democratic Party that education costs should be completely eliminated from property taxes is a wise solution that must be considered by the new government if we want to talk about property tax reform in Ontario.

I hope the present administration will not delay the process because that is what the Conservatives did in relation to this particular issue. They were ready to talk about the exorbitant increase of property taxes during the election, but we have been faced with delays in the studies in order that this issue will not be tackled by the government of the day.

I bring to the attention of the minister that in 1982 there was a debate on the fuel colouration program introduced under 1981 amendments to the Fuel Tax Act to identify tax-exempt diesel fuel used for agriculture and other off-road uses. It generated substantial concern in this Legislature. With the new budget, the tax on gasoline, unfortunately, is going up. The Conservatives have been raising the particular position that the money generated from the fuel tax increase should be devoted to the improvement of the road system and highways in the province.

11:40 a.m.

There is nothing wrong with that, but there are other priorities to which this money should be allocated. When we talk about highways, we have to find out the cause of the erosion of roads in Ontario.

In the past the Liberals were very critical of the use of salt during the wintertime. It costs billions of taxpayers' dollars to fix the roads when the winter is over and the summer comes along. Why? Because the salt is eroding the roads across Ontario.

The municipalities are also using salt to melt the snow on their roads and streets. They are complaining that they do not have enough money; so they go to the Treasurer and ask: "Why do you not give us enough money to repair the roads in our municipalities?"

I would like to discuss this on a friendly basis with the Minister of Revenue, who now has the power to do things. The Liberals have been critical about that. Is there any substitute for salt which is more convenient for the consumers and taxpayers of this province?

Instead of wasting money on repairing the roads, let us go to the root of the problem. If salt is causing the erosion of our roads, then we have to find other solutions that will not cause this problem. There would be a saving for that ministry and for the municipalities, which would save millions of dollars.

I am not an expert on what should be substituted for salt, but I understand other regions and jurisdictions are using a substitute that is very effective and does not ruin cars. I wonder why the former administration supported the principle of using salt, which ruins cars and causes consumers to complain, and also cut a lot of money from that ministry for repair of roads that had deteriorated terribly through the use of salt.

That is what this minister has to take a look at, or else we are going to complain about the \$686 million allocated to his ministry. Some people are going to be extremely concerned about where this money is going. The minister, as I said before, has an army of about 4,000 people under his jurisdiction just for the implementation of maybe 10 or 15 bills to raise funds for the government and so the Treasurer can eventually prepare a budget for the next fiscal year.

With regard to other taxation measures, the administration and application of the retail sales tax program, which contributes about \$4.42 billion to the provincial coffers, is a matter of concern that has often been raised on the floor of this Legislature.

In the 1982 estimates debate, for example, some Liberal members raised some concern about the application of sales tax to catering by charitable organizations in some Liberal ridings. The present Minister of Revenue is now trying to do something about it. We will have to wait and find out if the concerns raised by his colleagues in the past will be taken into consideration.

I want to warn the minister, in relation to the proposed \$1 exemption from sales tax for prepared food as contained in the 1985 budget, about the difficulty for the small businessman. It is an issue affecting not just my riding but all ridings where such a process has to be implemented.

I remind the minister that if I am going to buy two items of prepared food that cost less than \$1 each—for example, a Coca-Cola—the price will increase to more than \$1, and I think there will be some problem associated with that. I do not think small businessmen in Ontario are looking for additional complications in the application of this bill.

I hope the minister and his officials are giving consideration to that problem, which will arise in the near future. If I go into a store and buy something for less than \$1 the situation is crystal-clear: no tax should be applied. However, if I buy something plus something else, how is the ministry going to implement the principle that individuals are not supposed to pay tax?

The minister's officials are going through the results of a computer analysis of the implementation of this bill. I remind him that there is a human element involved in the implementation of this bill and I hope they will be sensitive enough to take into consideration the ramifications of implementing this law.

It is time to refresh the minister's memory about his own position regarding the Province of Ontario Savings Office. In the past the banks have been great contributors to the Conservative Party, and I am sure they are still contributing for political reasons.

**Hon. Mr. Nixon:** Is my friend referring to POSO?

**Mr. Lupusella:** Yes. I am trying to find the questions the minister raised in relation to POSO when he was in opposition.

**Mr. Shymko:** Does the member need some help?

**Mr. Lupusella:** No, I do not.

I was planning to quote what the minister said when he raised the issue as a member of the opposition but I cannot find the page. I hope it will turn up.



11:50 a.m.

The Province of Ontario Savings Office must be compared to the one located and widely applied in Alberta, where it appears that a profit is made by using this tool. In addition, I believe the government of Alberta is using the tool to borrow money.

The Minister of Revenue was extremely convinced in the past that POSO should be restructured and given a new mandate. The new mandate that the minister has in mind would increase his capability of borrowing money from that source instead of going, for example, to the United States, where they are concerned about our spending and where they set the rates in their own way. POSO is a golden opportunity for the minister.

In 1982 my colleague the member for Etobicoke (Mr. Philip) spoke very openly on this issue in the Legislature and introduced a private member's bill to expand the scope of POSO to make loans and to offer financial services as well as to receive deposits. These reforms could result in the development of a provincial bank along the lines of the more extensive and aggressive model of the Alberta Treasury Branches. In contrast to the low profile of the 21-branch POSO network that we have now in Ontario, the Alberta provincial financial institution operates a 131-branch network and more than 100 agency offices with financial interests in excess of \$4 billion.

POSO is therefore an area of Revenue's portfolio that might be examined further during the upcoming estimates process. I wonder whether the POSO issue is under review by the minister or covered in the general policy of the government to review the efficiency of any government agency. I hope the minister will be able to clarify that position.

As I said before, the Liberals raised concern about property taxes. I cannot forget the motion that was introduced on the floor of this Legislature by my colleague the member for Oakwood (Mr. Grande). By the way, I would like to inform the members of this Legislature that very soon I will reintroduce the same motion and it will be debated some time in December, because I would like to find out where the Liberals and the Tories stand on the issue of property tax reform.

The motion was debated on Thursday, May 24, 1984. It was an evening sitting, as I am sure the minister will remember because he was here to vote against that motion. The resolution was: "That in the opinion of this House, the government should create a new system for municipal

finance which will reduce the burden of residential property taxes and phase out the present residential property tax system and replace it with a system which reflects ability to pay."

When we talk about radical changes in the assessment of property and in taxation in general in Ontario, the Conservatives and the Liberals should get used to the notion of radical changes instead of talking about a superficial reform of taxation just when people are renovating their homes.

My colleague the member for Oakwood also stated the framework to achieve this objective. He said the government should phase in a series of reforms designed: (1) to reverse the process of shifting provincial spending obligations to local taxpayers; (2) to shift the funding of education and social services from the residential property tax base to progressive sources of revenue; and (3) to restructure the financing of local hard services so they reflect benefits and ability to pay.

Specifically, the following phased program should be followed: (a) immediate increases in municipal grants to reflect the costs of providing municipal services, (b) immediate assumption by the provincial government of the full cost of welfare and related social services, (c) phased removal of the education portion of residential property taxes over a period of five years, thereby reducing property taxes by about 50 per cent, (d) replacement of the remainder of the present residential property tax with a tax system which reflects benefits and ability to pay and (e) reform of the nonresidential property tax system to eliminate inequities, particularly as they affect small business.

This is the framework of concrete and radical changes in the reform of property taxation which has been incorporated in the accord signed by the Liberals and the New Democratic Party. The Goyette report and the new task force now under way are not getting us closer to the clear concept of property tax reform in Ontario.

I had an opportunity last night to speak to someone whose name I do not want to mention but who asked: "Where is all this money coming from? You want to eliminate a portion of spending allocated for education. Who is supposed to pay the rest of the money if it will be completely eliminated from the assessment of a property owner?"

That person was unable to understand that we are talking about a radical change, a new direction in relation to the principle of taxation. He has become so used to paying this type of tax

on his property that he is concerned about where the rest of the money will come from. In his own mind he has a problem, but there is no problem in my mind or in the minds of my colleagues sitting on this side of this House. There is no confusion whatsoever in the minds of the ethnic people across the province.

If the Tories would like to know the truth of the situation and of their loss, they should go through the general concept of why ethnic people are reacting to government policy. They are not used to paying education costs from their property taxes. In many of the jurisdictions they come from the costs are paid from the general revenue fund. If they are upset about the process and the skyrocketing cost of taxation in Ontario, this is the main reason. There is no other way to make them understand that there is a need to pay these extra taxes.

### 12 noon

I think the Tories lost trust a long time ago among the ethnic people of this province. We still have credibility in talking about this issue because we never formed a government to implement our policies.

I hope the Liberals will not lose credibility among ethnic people.

**Mr. Shymko:** They are on the brink of losing it.

**Mr. Lupusella:** Yes, that is why I am warning them. It is political advice. If the government wants the ethnic people on its side it should make sure these tax changes are implemented.

**Mr. Shymko:** The member's party put them there; do not complain now.

**Mr. Lupusella:** That is right. I still trust that something very positive will be implemented in the near future; however, I do not know how long my patience is going to last.

**Mr. McClellan:** It will not last 42 years, I can tell the member that.

**Mr. Lupusella:** I do not think we are talking about a three-year term. When our agreement was signed we made sure political stability at least would take place without guns on the floor of this Legislature, unlike what was demonstrated by the Tories, "Either you pass this unfair legislation or we will call an election." It was so undemocratic.

We are trying to define the terms and the concepts of our agreement. It talks about property tax reform. We are trying to give some parameters to that concept and principle. We are trying to state in a very clear way what the NDP is seeking in taxation reform. I hope the Liberals

will be sensitive enough to initiate this type of reform if they want to stay in power at least for a full year.

Interjection

**Mr. Lupusella:** Is that not right? Do they want more than four years?

The minister's opening statement related to this in particular and that is why I am spending a lot of time on the issue. I think we have to get together all the data on it, because I am really looking forward to concrete action coming from the Liberals with relation to this type of property tax revolution in Ontario. I hope they will be the catalyst for this revolution; otherwise, the people of this province will initiate a revolution against the government.

Just to remind ourselves of the minister's position on this issue, selected questions from the legislative debate raised by Liberal members during the Conservative term of office can be concretized and summarized as a sort of short synopsis on this point.

One, the selective assessment of renovated properties in the city of Toronto in some cases resulted in substantial increases in property taxes. I think there is a genuine complaint that the system currently is implemented for people who are renovating their first property. I am talking about the first property; I am not talking about speculators buying the second and the third properties on which they make money. I am saying the first one should be respected because the first home is the phase in which people are starting their families.

If we are talking about overassessing a property just to get revenues for this province and the municipality, I think the cornerstone of the family will be jeopardized by the political inaction on making reforms and changes in Ontario in relation to this issue.

We and the Liberals raised this issue. In the last provincial election the Liberal candidate in my riding was canvassing from door to door complaining that the Conservatives were unable to solve the problem which a Liberal government would solve and it would lower the property taxes in Ontario.

Here we are. I trust the Liberals will do something about this, not by studying the issue and not by initiating other taxes, or the next provincial election will be called with no reform whatsoever.

Two, the possible imposition of market value assessment in Toronto. The former Conservative minister, the member for Durham West (Mr. Ashe), did not proceed with the imposition of



market value assessment as this matter became an extremely sensitive issue among the Conservative members of the Metro caucus. That is why we now are faced with the new legislation—or the old legislation that has been introduced on an annual basis in this Legislature. It prevents the application of market value assessment in Toronto.

The Conservatives were playing politics on this important issue. They were raising the assessment even though there was specific legislation preventing the assessors—I call them mandarins of the government because they did not use a human approach in 1981 to take into consideration the social and economic effects on the people of Ontario. Even though there was specific legislation they went about the implementation of market value assessment through the back door. That is what happened through the years.

Three, a question in the Legislature, in February 1983, was about the possible release of the 1982 Ministry of Revenue impact study for Metro Toronto on complaints on property taxes. The study has been reviewed. It computed the impact of Metro-wide adjustment of property assessment to 1980 market value. This study was not made public by the Conservatives. We have to thank the current Treasurer that in July 1985 this study was released.

Four, a sample question dated April 1982 and a statement that was made in October 1982 also refer to the administration of the tax grants to seniors program. The operation and efficiency of this issue has been raised in the past. It has been corrected, but further improvement can take place. If we are going to help the senior citizens who are currently living in their homes we should eliminate the cost of education from their property taxes.

**12:10 p.m.**

The property assessment issue in Toronto raises concern. There are recent developments. In the Final Report of the Joint Committee on Property Tax Reform, 1982, the city endorsed in principle the assessment reforms in section 63, which was formerly section 86 of the Assessment Act, but only after the province upgraded the property tax credit relief to low- and moderate-income households. In addition, the city advocated a five-year phase-in of upward or downward property tax shifts due to assessment adjustment. The key recommendations of this report were as follows:

"1:1. That a reformed tax system adopted by the city of Toronto contain the following

fundamental elements." Again I do not fully agree with those recommendations made by the city of Toronto because of the conflict of interest which affects this study. It wants its share of money coming from property taxes, let us face it. Those elements are:

"(a) A reformed assessment based on market value;

"(b) a system of differential effective tax rates for different classes of property; and

"(c) improved tax relief for low- and moderate-income taxpayers."

Then there is recommendation 4:1, "That the provincial government restructure the Ontario property tax credit program to improve property tax relief to low- and moderate-income households so that there is a substantial degree of offset to any tax increase caused by reassessment."

Section 4:2. "That the following means be adopted to achieve the objective of property tax relief to low- and moderate-income households: (a) Income for tax credit purposes be defined as a household income (adjusted for normal extra expenses of a multiple income household, such as child care costs) rather than higher individual income;

"(b) income for tax credit purposes be further defined as the total income less personal exemptions rather than taxable income;

"(c) a maximum of \$1,000 be set on the amount of property tax which can be claimed for credit rather than the existing \$500 ceiling on total credit paid out."

There is a clear conflict of interest being advocated by the municipalities of this province in relation to this important issue. A select committee of the Legislature, sitting when the House is sitting but not necessarily when the House is not sitting, should review and tackle the problem of property taxation in the province. This should be initiated immediately because it is an urgent matter.

From talking to officials of the government, the government is unwilling to proceed with this recommendation because of this task force which has been instituted to study the recommendations of the Goyette report and also to make sure that the recommendations made by each municipality are going to take into consideration the future restructuring process of property tax reform in Ontario.

I do not know when this study will be finalized; we do not have a date. I know there is some work going on. Even though the final recommendations of the task force eventually will be debated on the floor of this Legislature

where each member of this parliament will get deeply involved in the final recommendations which have been structured by the municipalities and the Goyette report, and eventually by new policies which will be enacted on that study by the Liberal government, it would be fair to have a committee. How far the Liberals will go on this report I really do not know. If the government thinks it is to time to proceed with the task force, in parallel to that a committee of the Legislature should be instituted as soon as possible.

Then there is recommendation 11:1, "That the city not request section 86," now section 63, "reform of the property tax system in the city of Toronto until the province restructures the Ontario property tax credit program, as outlined in recommendation 4:1 and 4:2, to improve the property tax relief for low- and moderate-income households so that there is a substantial degree of offset to any tax increase for such households caused by reassessment under section 86."

There is no question whatsoever that the system is unfair, and I think the Tory members realize that and will be talking about this issue in the next provincial election campaign. The Liberals recognize as well the unfairness of this system, and the citizens of this province also recognize and pay the price of this injustice.

One thing that comes to my mind immediately is that, for example, if a property is reassessed and the individual launches an appeal and wins it, the appeal is not retroactive. Furthermore, if I do not launch an appeal within the time prescribed by the notice of reassessment then I have to wait until the next year to appeal, but I cannot appeal the increase of the reassessment of two years before the notice is sent to the individual. It is a clear-cut case of injustice.

The final message to the taxpayers of this province is: "We need your money. You have to pay it and you have to be quiet." We cannot operate on the premise of such an archaic principle of law. We are trying to be fair with the law, but at the same time the message is the opposite of what the law says.

Recommendation 11:2 says, "That, subject to the condition outlined in recommendation 11:1, the city endorse the general principles of section 86 reassessment as a framework in which to implement the committee's tax reform proposals as outlined in this report."

As I said before, I read those principles but this does not mean I share their views. If we want to tackle this issue we have to start from the very beginning and appoint a committee of the Legislature to study it as soon as possible.

When the city of Toronto released its report, other municipalities in Metropolitan Toronto, the Metro government and the Ontario government were unable during the Conservative regime to reach agreement on a property tax reform mechanism. I would bring to the members' attention the terrible performance of the Conservative government, which was unable to deal with the issue. Now, because I have to give this historical political perspective of their inaction, I have to mention their past.

The thrust of the above recommendations, however, is still the basis of the city of Toronto's position on property tax reform. That is their position, and it is the position eventually of other municipalities in Ontario, which, as I stated before, have a conflict of interest because they are looking for more revenue from property taxes.

**12:20 p.m.**

In June 1983 the city council last reaffirmed its opposition to Metro-wide reassessment. Recent assessment appeal concerns in the city of Toronto have focused upon the impact of maintenance repairs upon reassessment. The city has also conducted property tax appeal seminars for ratepayers and hired specialist legal counsel for this purpose.

There is an unfair system in place. The government has been trying to contain the problem of an injustice by delaying the whole process of implementing and enacting new programs or innovative policies that will solve the problem. In the aftermath of the recent municipal election, it would be of interest to determine whether the newly elected city council is willing to modify its position on the property tax issue or to present a new model for the structure and the whole process.

There is an indication of the importance of property taxes to the city in the 1985 civic budget. Civic budget property taxes are scheduled to amount to some \$222.1 million, or 58.5 per cent of total municipal expenditures of \$373.6 million. We are talking about millions of dollars coming from property taxes. The people are unfairly paying the price.

If legislation has been enacted by this parliament that market value assessment should not proceed, I really do not understand why people of Metropolitan Toronto have been paying the price in their property taxes. I do not understand the criteria used by the Conservatives. I hope the Liberals will do something about the matter.

In more recent developments, the city of Toronto economic development committee dur-



ing July to September meetings in 1985 reviewed detailed data on the potential impact of reassessment at the ward level within the city of Toronto. Based on the study that is available, are the assessors employed by the Ministry of Revenue taking action? No way. The individual taxpayer has to launch an appeal to try to remedy the situation.

The individual assessor is not going out again and saying: "We made a mistake in 1981 and 1982. Legislation has been enacted by the province which is preventing us from implementing the principle of market value assessment. You are paying too much. We are going back to the principle of your taxes of 1981 retroactively." No way. The individual has to appeal. An injustice has been committed by the government. Are we going to tolerate this injustice? I hope the Liberals will do something about it.

The data were derived from the Ministry of Revenue's Metro-wide tax impact study prepared in 1982, using 1980 market values. I do not have a copy of the bill that was introduced recently by the Minister of Revenue in relation to this issue of property tax assessment, which should not be implemented for the city of Toronto.

A study was made, but no action has been taken. At the same time, the Minister of Revenue is alerting the members of the Legislature that we have to pass the legislation as soon as possible, or market value assessment will be implemented in the Metropolitan Toronto area. As I stated before, the Minister of Revenue released the study in July 1985.

**Mr. Chairman:** Has the member concluded his remarks?

**Mr. Lupusella:** I have not concluded yet. I have three quarters of an hour to finalize my comments.

**Mr. Chairman:** May I remind the member that these are estimates. We do have to allow time for other members to discuss the various votes and items and to ask questions of the minister.

**Mr. Lupusella:** Mr. Chairman, I would like to draw to your attention that I have used one hour.

**Mr. Chairman:** No. The member has used two hours and 22 minutes to be exact, by my calculations.

**Mr. Lupusella:** Two hours?

**Mr. Chairman:** You started with five hours and five minutes to go. I recorded that the last

time. There are now two hours and 43 minutes to go.

**Mr. Shymko:** Are you alluding that this is a filibuster, Mr. Chairman?

**Mr. Chairman:** No. I am simply reminding the member that we do have to get to votes and items and discuss the financial aspects of the estimates.

**Mr. Lupusella:** If that is the wish of the members, I will give other members an opportunity to speak. I would like, however, to conclude my opening remarks later on with the agreement of the members of the House. I will leave the floor to give others an opportunity, but I will get the floor back when other members have made their contributions to the opening remarks of the ministry.

**Mr. Chairman:** Could you continue on with your critic's statement and please finish up as soon as you can?

**Mr. Lupusella:** Thank you, Mr. Chairman. This is a very important ministry. In the past perhaps we did not spend so many hours reviewing the activities of the Minister of Revenue. Now that I am trying to do my work as a critic, everyone is criticizing the process, including my colleague the member for Etobicoke. How is it possible? Would he like to speak? Stand up and speak.

**Mr. Philip:** Fine, sit down.

**Mr. Chairman:** No. Perhaps the minister wishes to reply.

**Hon. Mr. Nixon:** Mr. Chairman, I do have one or two responses to points made by the members in their opening remarks which I found interesting and helpful, so interesting and helpful that I cannot put my hands on the piece of paper I am looking for right now.

To begin with, the member for Wentworth (Mr. Dean) expressed some fears about the process of technological improvement in this ministry and, I would expect by extension, in all ministries. The member himself was a member of Management Board for a considerable time. He may recall meeting by meeting where proposals for computers and other technological improvements were put before the members of Management Board for their approval.

This is continuing at a very rapid rate. I believe the Ministry of Revenue has led all the others in technological improvement and advancement. This is because the work of the ministry responds better than that of almost any other to the capability of modern technology.

The Office Automation Services and Information Systems program, described briefly in my opening remarks, is an attempt to assist in the assessment computerizing program right across the province. It is well established from our central headquarters, and in the next few months it will also be made available in all the assessment administrative facilities.

It was somewhat disappointing during the recent municipal enumeration, because the response time for each entry was a few seconds, maybe 40 or 50 seconds, longer than had been expected. When a total enumeration for municipal purposes is going forward, you can understand that even a loss or a lag of a few seconds is very time-consuming.

**12:30 p.m.**

I mention that only because I want to say how much I appreciated that the staff of the ministry and all the offices, including Brantford and elsewhere, who worked overtime, worked very hard under difficult circumstances and brought in the total enumeration, using the OASIS facility, on schedule and under budget. I appreciated both of those things. I have not had any letters of complaint as minister. Maybe the deputy and others have, but certainly the response was good.

To go off the track slightly, I want to mention that while we are moving forward technologically, sometimes there are bugs that are costly and of real concern. In general, the process of improving the computer capability of the ministry has really gone forward under very good direction, which includes the deputy, Mr. Russell, who is sitting at the table before me with his back to Mr. Speaker's chair, in case not all of the members know him, and the other staff. We have technical advisers, of course. I am quite proud that the Ministry of Revenue has taken advantage of the opportunities to computerize its work. It has worked out very well indeed.

The former minister, the member for Mississauga East (Mr. Gregory), is now in his place. He and the member for Wentworth and others now on the opposition side were deeply involved in these decisions as ministers of revenue. I have nothing but commendation from my experience in this regard.

The phrase that the member for Wentworth used caught my attention. He said, "I hope your offices and others in government are not simply buying hardware so they can have the new machine on stream," or some such remark. I have that feeling from time to time as well.

In Management Board of Cabinet and even when we are talking about changes in the

Ministry of Revenue, I am always assured that a business case is put forward. As a farmer, I never really knew what a business case was, but the phrase describes it very well. People involved in the actual business of the process have to justify it in dollars saved, in time, manpower and efficiency increases. This is demanded by those people who are approving.

It is quite possible we might misunderstand—I certainly do not say might be misled—the information, because usually a proposal that comes from a ministry that stands up to an examination by the officials of Management Board is approved. On the other hand, we are committing a lot of dollars to the computerization of government services. This is happening at an ever accelerating rate. Really, my own question is, when do we become saturated? When does that line of improvement—and I trust and believe it is such—start to level off so that we reach the point where we have it pretty well on line and functioning?

The former minister raises something that has been in my mind for many years around here and must be of concern to all of us. A lot of taxpayers' money is involved and it is up to the ministers, former and present, to be able to justify to them that we are providing better service and lower costs. I believe we are.

The second point the former minister mentioned, or at least the one I wanted to mention next, had to do with the Province of Ontario Savings Office. The member for Dovercourt (Mr. Lupusella) also spent quite a bit of time referring to it. I frankly appreciate the views expressed by both of the formal critics in support of the concept of the Province of Ontario Savings Office providing a service to the community.

It was inaugurated about 1922 at the initiative of the government of the day, which was largely made up of supporters of the United Farmers of Ontario party. I do not want to spend a lot of time on history, but that particular event in history makes it more understandable why I, for one on this side, am quite committed to its continuation and the improvement of its utilization.

**Mr. Philip:** It was restricted by the Conservatives when they got into power the year after that.

**Hon. Mr. Nixon:** That may be so.

The other important point in the history of the savings office was that in 1934, in the depths of the Depression, the government changed again, and the new Premier found that the bond-trading houses in the financial community of downtown Toronto were not in total agreement with all his



newly stated policies as leader of a new Liberal government.

There are certain parallels that are interesting in the present situation, not that the bond-trading houses are anything but enthusiastically supporting all the innovative initiatives this government has brought forward, but at that time, in order more or less to enforce their views on the new government and use their undoubted financial power to bring the new administration to heel, they informed the administration they were not prepared to buy government of Ontario bonds.

In those days, some provincial jurisdictions were renouncing their responsibilities in this regard. I believe, and I hope this is not an actionable comment, Alberta was one of the provinces that found it simply could not pay the interest on its bonds in those times. The pressures were very real, and for the government of the day to find that it could not do business, even in the financial community of Toronto, was a very serious matter.

To get back to the subject at hand, the then Premier said: "That is unfortunate. We will have our own bonds printed up and we will sell them over the counters of the Province of Ontario Savings Offices," which he was quite prepared to do. As they made preparations for doing that, the normal bond-trading procedures seemed to fall back into place, and we have been blessed with good advice and good support from the bond-trading houses right through to now. They are still doing an efficient and effective job.

The members might be interested to know Ontario Hydro sold an issue of about \$250 million worth of bonds in the last few days and the spread of cost to the bonds above our benchmark, which is the cost of similarly termed government of Canada bonds, was about the lowest in history. I say "about" because it is in the range of 17 basis points and the range has been up to about 30 basis points in the last three or four years.

I mention that because it is particularly apropos, having to do with decisions made by the bond-rating agencies in the last few days. I do not want to oversimplify the case. Certainly the bond-rating matter that has been raised in the House—and I am sure will be again—is a matter of concern to all of us and to me; but in this first instance, it has not had a dramatic effect on the cost of our borrowing.

The savings office now functions with the guarantee of the province as a convenience to many citizens of Ontario. We have about 98,000 accounts and about \$585 million on deposit. It is

interesting that the number of accounts is down from 103,000 in 1983 and the amount on deposit is down from more than \$700 million in 1983. The trend is down because our interest policy, which pays approximately one half per cent more than bank interest, has not kept up to date.

We still maintain that premium, but the banks have a very competitive calendar of interest alternatives, including daily interest. POSO has not gone in that direction yet. My own feeling is that very serious consideration must be, and is being, given to bringing in a daily interest proposal that would maintain the historic premium over interest payable at the chartered banks. We are not really in competition with them because, although the amount of money on deposit at half a billion is very impressive, it is not an amount that the major banks, or even the minor banks, find much of a competition.

**12:40 p.m.**

However, I suggest to the members that we have an excellent savings facility in the government complex here. If they have not been in the Province of Ontario Savings Office in the Macdonald Block, I would urge them to go there. They should take their next paycheque in there and put it on deposit. It is very convenient and the people working in there are very friendly. I notice the critic of the official opposition is waving around his deposit book; I will see that a Christmas bonus is sent to him.

A good deal more might be said about the Province of Ontario Savings Office. It is a statutory item in these estimates, but it is quite in order to discuss it in further detail, and some of the members might want to do so later in the estimates.

Another item raised by the member for Wentworth had to do with the simplification of returns made by small businesses in the corporation income tax procedure. We are quite pleased that, although over the years the ministry has dealt very effectively and positively with small businesses, this year through amendments now before the House we were able to improve that procedure even more.

The corporate returns for 120,000 small businesses will be made automatically. They go out almost as bills do, no specific return is required and no additional accounting procedures or legal procedures, we hope, will be required. This matter is before the House. We know it will be supported even though certain changes in the tax rates otherwise might not be supported. We will have a chance to discuss those in more detail later.

The member for Wentworth raised a number of other items, but I want to finish my response to his comments by referring to his statements about the report of the member for Waterloo North (Mr. Epp) on assessment. He referred to the problems we have experienced over a number of years in improving the assessment procedures in Toronto and Metropolitan Toronto. The member for Mississauga East is looking at me and thinking about some of the problems. He, as a former minister, and others know how difficult they can be.

When I first became the minister, someone described the assessment situation and compared it to Mount St. Helens. There it is, an enormous thing on the horizon, vibrating, with a little plume of smoke coming out of the top, and one wonders what is going to happen next.

**Mr. Grande:** Speaking of the Minister of Consumer and Commercial Relations (Mr. Kwinter).

**Hon. Mr. Nixon:** Yes. We used it there as well.

I had that feeling when I took over as minister. I had written the previous minister some letters about reassessment and what I thought about it. I had made a few mild, brief remarks in the Legislature from time to time about the assessment responsibility. I may hear some of those comments read back to me before the estimates are completed.

I thought the best thing I could do was to ask my parliamentary assistant to convene a low-profile review of the assessment practices. There were so many specific complaints from individuals, such as home owners in Toronto, farmers out my way—myself included; I had sent a complaint—and condominium owners. There seemed to be a falling-off of confidence that the assessment procedure was good enough to be supported by fair-minded taxpayers. If we lose confidence in something like assessment, it is a very serious matter indeed since it is the cornerstone for the funding of our municipal government.

In my experience there have been at least two rather full-blown reviews with public hearings, and they were entered into with very good work and good faith. One was chaired by Willis Blair, the current chairman of the Liquor Licence Board of Ontario. He even brought the chairman and his commissioners to the opposition caucus, as it then was—the Liberal caucus—to ask us for our views. Even though we gave him our views, his report, although it reflected some of them, was never implemented by the government.

There was a political concern about imposing market-value assessment, because while this often gives rise to lower tax rates, at the same time it always give rise to some higher tax rates on individuals. The problems of explaining that and getting it settled down in the community are very difficult, as we all, as politicians, know. There are additional difficulties, particularly in the Metropolitan Toronto area, with certain special assessments going back to veterans of the First World War. Nobody wants to interfere with them, and yet to achieve fairness and equity, an overall reassessment would obviously be necessary.

The member for Wentworth pointed out particularly the problem that if reassessment took place and if the new assessments gave rise to substantially higher taxes in some of the older parts of the city, the residents obviously could not meet those higher responsibilities.

He was questioning the recommendation as to whether the government would find some transition money to assist in those changes in tax rates that would be higher than could be met by the home owners. This is a recommendation to which we are giving consideration, but we must realize that where this occurred, I believe in Ottawa, the regional municipality there, through its own tax base, found some additional subsidy funds to assist those people hardest hit over the transition period.

I am simply pointing out that it is not completely the responsibility of the Minister of Revenue or the government of Ontario to meet that requirement. The recommendation is that we give consideration to it, and I can say to the honourable member that we are doing so, but we do not want to be left holding the whole bag. We consider it a local government responsibility as well, because while some taxes are going up, others will go down, since the overall assessment capability remains largely unchanged, and it should be an internal responsibility to see that no one is too severely hit by these additional payments.

The member referred to the possibility of a special assessment task force in Metro, as recommended by the report of the member for Waterloo North. Just in passing, I should mention again the role played by David Goyette, who is sitting under the gallery ready to send me a note of advice if necessary in this connection. It was his recommendation, through the member for Waterloo North's report, that called for the establishment of a special task force.



Members will be interested to note in the report that Mr. Goyette and the member for Waterloo North, having talked to the municipal leaders in all the cities of the metropolitan area, had received the agreement of the heads of councils—that is, those before the election, and that is the same bunch now, is it not? There have been no changes—that they were prepared to sit down to consider seriously establishing a program that would lead to a reassessment of the whole of the metropolitan area.

He recommended that this agreement ought to be in place and ready to go by September 1, 1986. That is a reasonable period of time. A couple of members have spoken to me privately and said, "I do not think we can do it in that short a time." Frankly, if it takes longer than that, it probably cannot be achieved. As a realistic politician, I would say it might be a useful time to proceed, as the new councils are in the first year of a three-year term, because a good deal of the work could be got out of the way, the dislocations could be ameliorated by the kinds of payments that might be forthcoming with an agreement in this connection and we might be able to achieve the kind of reassessment the metropolitan area obviously needs.

The concept of the task force is an excellent one, and I can say it is my intention, with Mr. Goyette, the member for Waterloo North and the staff of the Ministry of Revenue—the deputy and others—assisting me, to move as expeditiously as I can, but having everyone on side. We do not want to leave any of the cities of the metropolitan area behind, saying, "We do not like what you are doing." The members of the opposition, particularly those who had the responsibility I now have, know better than I do that as soon as somebody is left behind and starts being publicly critical and saying, "This will not work," then it will not work.

If we do it carefully, with the kind of consultation that is effective and meaningful and with a lot of luck, we might be able to achieve this. Certainly it is my intention to give it every support and to move forward in that situation.

**12:50 p.m.**

The critics of both opposition parties referred also to the recommendation for a regular assessment update on a four-year basis. I thought the report was particularly interesting in that connection where it looked at the ambit of a longer, five-year or seven-year possibility. Four years was the one put forward. Of course, reassessment costs money. The commitment to this is something that concerns me not only as

Minister of Revenue but also as Treasurer and as a taxpayer in the jurisdiction. The recommendation for a four-year reassessment is a reasonable one, and I hope we can get the views of the members opposite in that connection.

There are other recommendations in the report having to do with the assessment review board, which comes under the jurisdiction of my colleague the Attorney General (Mr. Scott). There are recommendations that it have a multilingual capability, that it hold meetings in the evening for the convenience of ratepayers and that it be asked—in fact, be required—to give reasons for its judgements. All these things might be found to be inconvenient by the present members of the board, but with the co-operation of the Attorney General, I sincerely hope we can set out guidelines for the assessment review procedure that will make it more effective.

While we are grateful for the services rendered by present and previous members, we particularly want to have people who are experienced in assessment or knowledgeable about the act and regulations and who are sensitive and responsive to the complaints that have become so common in the metropolitan jurisdiction, particularly to be able to take part in assessment review. We hope to improve that.

We want input and response from municipalities across the province. We have sent a copy of the report to the clerks of all municipalities, and I am informed the Association of Municipalities of Ontario is already considering the report and will make its views known to me and to us.

While I am talking about that, I want to say that the member for Dovercourt also spent considerable time referring to the report by the member for Waterloo North, indicating his dissatisfaction and particularly the dissatisfaction of his special constituency with the assessment matters as they now stand. He indicated the ethnic population in metropolitan areas was often not used to having an assessment of its own property as the basis for the payment of education and certain other services. It is a point that is well made. There have been others from the community at large who indicated we should reduce the dependence on local assessment for education costs.

The member for Dovercourt also went on to point out that the responsibility of senior citizens—and all of us represent a good many of those; they are an extremely important group in our constituency, politically and otherwise, growing in size—to continue paying for the cost

of education is something the honourable member questions.

From my own point of view, I do not agree with his views in this regard. I believe the whole community has to share, and should continue to share, in the cost of education. However, we have a number of programs we have inherited. We administer them more effectively and more generously than our predecessors, but the programs we inherited were designed to assist senior citizens and others such as farm-land holders to pay the cost of education.

**An hon. member:** Are you holding your tie, or what?

**Hon. Mr. Nixon:** I am putting my hand on my heart when I refer to farmers.

**An hon. member:** I thought you were holding up your tie.

**Hon. Mr. Nixon:** No. That gesture means I am getting serious.

Even now we are mailing out the cheques, up to a limit of \$500, all signed by the Minister of Revenue, to the senior citizens to assist them in paying their local taxes. While I could say this is the education part we are relieving them of, I do not feel that is appropriate. I believe senior citizens do not like to pay more than their share of taxes, but most of them, if they think about it, do not seriously object to contributing their tax share to education.

**Mr. Davis:** Ha.

**Hon. Mr. Nixon:** They should not. I believe the whole community must share in that important role. Seniors as well as everybody else know it is the most important responsibility we fund. In my view, it is the most important responsibility we have in this House: to provide quality in education. Let us get into that right away.

In the next few minutes, I want to refer specifically to some points made by the member for Dovercourt. I appreciated the fact that he opened his remarks by introducing the delegation from Abruzzi and that a number of members took some of the estimates time to associate themselves with the comments by the member for Dovercourt. I thought it was quite appropriate.

**Mr. McClellan:** Copycat. "Me too"-ism. The minister will never get it right.

**Hon. Mr. Nixon:** I love the name Abruzzi and the people.

The member for Dovercourt also asked me if I thought we were going to continue to have separate ministries. It had not occurred to me that we might not need separate ministries. I have often said one minister could handle the responsibility. I do not want to say, now that I am doing it, it is easy; it is anything but that. The reason I have not got into serious difficulty, particularly on the Revenue side, is that Mr. Russell and his staff have been relatively successful in keeping me out of trouble.

It is run very well indeed. I have even come to have a warm feeling for the assessors. I never thought that would happen, but I now know some of the unfair criticism that has been levelled towards them. They are a professional group of people across the province who work hard to apply the law and the regulations—

**Mr. McClellan:** It is the policy that is wrong.

**Hon. Mr. Nixon:** That is right. I entirely agree with the honourable member who persists in interjecting that the policy has been wrong. We hope to correct it so the assessors will be seen to be the friends of the property owners and so people will come to appreciate the fact that they work hard and conscientiously. We are going to improve the regulations so the position will be improved as far as they are concerned as well.

The member for Dovercourt also made reference to the small business development corporations, which we will be discussing a bit later in the presentation of the revenue bill.

I do not think I have time now to refer to anything else that I made a note of when it was raised, but when we return to these estimates for the remaining two hours and 11 minutes on Monday, I will be very glad to respond to the direct comments from the honourable members.

On motion by Hon. Mr. Nixon, the committee of supply reported progress.

The House adjourned at 1 p.m.



## APPENDIX

## ANSWERS TO QUESTIONS IN ORDERS AND NOTICES

## GOVERNMENT EMPLOYEES

**5. Mr. Grande:** Will the minister responsible table the following information on Ontario government employees for every ministry in government: (1) ministry; (2) number of classified employees; (3) number of classified employees who are of visible minority origin; and (4) position held in the ministry by each of the employees who are of visible minority origin? [Tabled June 17, 1985]

**6. Mr. Grande:** Will the minister responsible table the following information on Ontario government part-time and contract employees (unclassified) for every ministry in government: (1) ministry; (2) number of unclassified employees; (3) number of classified employees who are of visible minority origin; and (4) position held in ministry by each unclassified employee of visible minority origin? [Tabled June 17, 1985]

**7. Mr. Grande:** Will the minister responsible table the following information on the 3,900 appointed positions with the 700 agencies, boards and commissions responsible to the Ontario government? Will the minister prepare the data under the following headings: (1) name of agency, board and commission; (2) number of appointed positions for each agency, board and commission; (3) number of appointed positions for each agency, board and commission who are of visible minority origin; and (4) position held by the appointed persons for each agency, board and commission of persons who are of visible minority origin? [Tabled June 17, 1985]

**8. Mr. Grande:** Will the minister responsible table a summary of the third-language skills of Ontario government employees under the headings: (1) ministry; (2) number of classified employees; (3) number of full-time employees who speak one third language; (4) number of full-time employees who speak two to five languages other than English and French; (5) position held in the ministry by each of the employees fluent in a third language; and (6) total number of third languages spoken in the ministry? Will the minister provide the information for every ministry in government? [Tabled June 17, 1985]

**9. Mr. Grande:** Will the minister responsible table a summary of the third-language skills of Ontario government employees under the

headings: (1) ministry; (2) number of classified employees; (3) number of unclassified employees who speak a third language; (4) number of unclassified employees who speak two to five languages other than English and French; (5) position held in the ministry by each of the employees fluent in a third language; and (6) total number of third languages spoken in the ministry? Will the minister provide the information for every ministry in government? [Tabled June 17, 1985]

**10. Mr. Grande:** Will the minister responsible table a summary of the third-language skills of the 3,900 appointed positions with the 700 agencies, boards and commissions responsible to the Ontario government? Will the minister prepare the information under the following headings: (a) persons who speak one third language; (b) persons who speak two to five languages other than English and French; and (c) position held? [Tabled June 17, 1985]

**Hon. Ms. Caplan:** In response to those parts of questions 5, 6, 8 and 9 dealing with number of employees, I would refer the honourable member to the annual report of the Civil Service Commission for information concerning the number of persons employed by the government of Ontario.

With respect to the parts of these questions which concern the employment of "employees of visible minority origin" and "employees with third-language skills," I would advise the member that the government does not classify or maintain employee data according to racial and ethnic origin. The Human Rights Code of Ontario states that "the right...to equal treatment with respect to employment is infringed where a form of application for employment is used or a written or oral inquiry is made of an applicant that directly or indirectly classifies or indicates qualifications by a prohibited ground of discrimination." At this time we do not collect this data on employees either before or after hiring.

This government is committed to ensuring that the composition of the Ontario public service truly reflects the social demographics of this province. With this in mind, a survey will be prepared to gather the appropriate statistics. Before we conduct such a survey, we will ask the human rights commission if the survey would be

in violation of the Human Rights Code and what steps may be needed to clear the way for successfully obtaining this information.

### ENVIRONMENT REPORTS

**78. Mrs. Grier:** Would the Minister of the Environment please provide a complete list of all the reports that were prepared by the Ministry of the Environment in the last six years before the Conservatives left office and which have not yet been released to the public? [Tabled October 29, 1985]

**Hon. Mr. Bradley:** Since I have taken office, the Ministry of the Environment has devised a system for ensuring that all reports are released as soon as possible.

To date, I have also released or approved the public release of the following reports, which were prepared before I assumed office:

1983—Urban Bacteria Sources and Control by Street Sweeping in the Lower Rideau River Watershed.

1984—Scientific Criteria Document for Standard Development No. 2-84, "Chlorinated Phenols in the Aquatic Environment;" Scientific Criteria Document for Standard Development No. 3-84, "Chlorinated Benzenes in the Aquatic Environment."

1985—Concentrations of PCDDs and PCDFs in Soil in the Vicinity of the Swaru Incinerator, Stoney Creek; Bacteriological Water Quality and Source Identification at St. Catharines Beaches, June-August 1983; Socio-Economic Analyses to Aid in Development of Poly-Chlorinated Dioxin (PCDD) and Poly-Chlorinated Di-Benzofuran (PCDF) Standards; Management By Results Technical Appendices: Details of 1985-86 Planned Results.

The three reports listed below are not being released since the data are out of date and do not reflect current environmental conditions:

1981—Poly-Chlorinated Biphenols—Surveys in Smithville.

1982—Enhanced Great Lakes Tributary Monitoring in Ontario (1980). Water Quality Status Report.

1983—An Assessment of Water Quality Conditions and Remedial Measures in Wheatley Harbour, Lake Erie.

### NURSING HOME CHARGES

**81. Mr. D. S. Cooke:** Will the Minister of Health table all outstanding charges under the Ontario Nursing Home Act with the names of the Homes? [Tabled November 1, 1985]

**Hon. Mr. Elston:** Our response is as follows:

Name of Home	Charges	Trial
Beacon Hill Lodge, Windsor	6 against licensee 11(4) N × 3; 56(1) N × 2 95N 2 against administrator 74(1)(e) N; 95N	Trial date set March 18, 1986, at Windsor. There were 36 charges (18 each) before the court. On Nov. 6, 1985, the JP dismissed 12 charges against the licensee and 16 against the administrator.
Elm Tree, Downsview	45 against licensee 10(k) N; 11(1) N; 11(2) N; 11(4) N × 2; 11(6) N; 11(7) N; 20(6) N × 2; 28(5)(a) N × 3; 28(5)(b) N × 5; 55(1)(b) N × 12; 56(1) N × 11; 56(12) N; 65(3) N × 2; 65(5) N; 76(3) Nut	Trial date set Jan. 20-31, 1986, at Old City Hall. The ministry withdrew 10 charges (5 each) due to lack of evidence.



Name of Home	Charges	Trial
	83 against administrator 5(2) N × 2; 10(k) N; 11(1) N; 11(2) N; 11(4) N × 2; 11(6) N; 11(7) N; 20(6) N × 2; 28(5)(a) N × 3; 28(5)(b) N × 5; 47(14) N; 55(1)(b) N × 12; 55(5)(c) N × 5; 56(1) N × 11; 56(3) N × 5; 56(5) N × 6; 56(6) N × 4; 56(8) N; 56(9) N × 2; 56(10) N; 56(12) N; 60(3) N; 65(3) N × 2; 65(5) N; 74(1)(c) × 6; 76(3) Nut; 92(a) N × 3; 74(1)(e) Nut	Justice Steele barred the provincial court judge from hearing 38 charges against the licensee in judgement handed down Oct. 11.
Essex, Essex	72 (36 each) 28(5) N; 55(5)(c) N 56(1) × 13 charges N 56(3) × 3 charges N 56(5) × 6 charges N 56(9) N; 56(10) N 56(12) N; 65(3) N 66 N; 5(2) N; 21(1) N 74(1)(c) × 3 charges Nut 74(1)(e) Nut; 74(2) Nut	Appearance to set a trial date remanded to November 28, 1985, at Windsor.
Extendicare Hearst, Hearst	30 (15 each) 54(1)(a) N; 56(1) N 56(3) × 5 charges N 57(1) N; 60(2) N 87(b)(ii) × 2 charges N 95 × 2 charges N 55 (1)(b) N; 5(2) N	Remanded to December 9, 1985, at Hearst.
Mapleton Manor, Listowel	6 (3 each) 41(1)(o) FS 39(17)(a) FS 74(2) Nut	First appearance to set a trial date Nov. 21, 1985, at Listowel.
Nel-Gor #3, Carleton Place	10 (5 each) 11(2) FS; 28(8) FS 38(1) FS; 41(1)(h) FS 40(3) FS	First appearance to set a trial date Nov. 15, 1985, at Carleton Place.
Park Lane, Paris	88 (44 each) 11(4) × 10 charges N 11(6) × 4 charges N 11(7) N 56(5) × 10 charges N 56(9) × 6 charges N 56(6) × 6 charges N 56(12) N 56(1) × 3 charges N 74(1)(c) N; 74(2) N 97 (1) N	Appearance to set a trial date remanded to Nov. 27, 1985, at Brantford.
Park Lane, Paris	4 (2 each) 41(1)(o) × 2 charges FS	Appearance to set a trial date remanded to Nov. 27, 1985, at Brantford.

Name of Home	Charges	Trial
Spencer Bros., Hagersville	15 against administrator 20(6) × 2 charges N 74(2) N; 97(2) N 56(12) N; 64(2) N 66 N; 11(1) N 56(8) × 3 charges N 55(4) × 2 charges N 55(5)(c) × 2 charges N	Trial adjourned to Nov. 26, 1985.

Note: Unless otherwise indicated, charges are against both the licensee and administrator.  
Codes: N—Nursing; EH—Environmental Health; FS—Fire Safety; Nut—Nutritional Care.

### NURSING HOME CHARGES

**83. Mr. D. S. Cooke:** Will the Minister of Health table a list of all charges under the nursing homes that cannot now be proceeded with as a result of the court ruling involving Elm Tree Nursing Home? [Tabled November 1, 1985]

**Hon. Mr. Elston:** On October 11, 1985, the Honourable Mr. Justice Steele of the Supreme Court of Ontario rendered judgement on the application by Elm Tree Nursing Homes to prohibit the provincial judge from hearing the case on the grounds that the regulations under the Nursing Homes Act did not create offences in law.

Mr. Justice Steele ruled that where regulations make no specific reference to a person having to carry out a duty, the licensee has a legal responsibility to see that the duty is performed. He also ruled that where the administrator, nursing staff or physician is named in the regulations, only the nursing staff or physician may be charged. There is no offence committed by the licensee.

Mr. Justice Steele also ruled that sections 5(2) and 56(3) were so vague that they could not sustain a prosecution and were void, and he prohibited a provincial judge from hearing any charges pursuant to these sections.

Legal counsel acting on behalf of Elm Tree Nursing Homes has launched an appeal of Mr. Justice Steele's decision, and the Ministry of the Attorney General, crown law office, has launched an appeal as of Friday, November 5, 1985.

The intent of the Attorney General's ministry is to seek further guidance from the courts as to the validity of the regulations that Mr. Justice Steele has ruled invalid and of no force and effect.

The crown law office has undertaken an appeal, and pending the outcome of that appeal, the crown will continue to prosecute with respect to those sections of the regulations where there is a clear duty on the licensee. In answer to the question, we cannot proceed against licensees in respect of those sections where the administrator has a duty to comply.

### ENVIRONMENTAL ILLNESS

**79. Mr. Warner:** (1) Will the Minister of Health officially recognize the term "environmental illness" and if there is no intention to recognize environmental illness, why not? (2) If the minister accepts "environmental illness" as a legitimate medical concern, will attendant changes be made to the Ontario health insurance plan so that medically necessary procedures required to treat environmental illness will be covered? (3) If the minister accepts "environmental illness" as a legitimate medical concern, will the minister so inform and request the necessary changes which will be required to (a) Workers' Compensation Act; (b) guaranteed annual income system pension; (c) social assistance diet allowance; (d) Unemployment Insurance Commission; (e) Canada pension plan? (4) When will the minister release the report Environmental Hypersensitivity Disorders by Judge Thompson? [Tabled October 30, 1985]

**Hon. Mr. Elston:** 1. In November 1984, the committee on environmental hypersensitivities was appointed to advise on the current state of knowledge of environmental hypersensitivity including its occurrence in the population, methods of diagnosis and treatment, and to outline future approaches to investigation, treatment or research.

The report of the committee was submitted to



the ministry on September 9, 1985. The Hospital for Sick Children has been asked to convene an expert panel to review the report and to assess the impact of the recommendations on the health system, based on the information contained in the report.

When that review is complete, the Ministry of Health will be in a position to determine whether the term "environmental illness" will be officially recognized.

2. Not applicable.

3. Not applicable.

4. Confidential medical and personal information provided by individuals to the committee is contained in the appendices of the report. Once permission for public release has been obtained from these individuals, the report will be released.

#### ONTARIO PROVINCIAL POLICE

**80. Mr. Villeneuve:** Would the Solicitor General please list all the municipalities and their population in the province that are being policed under Ontario Provincial Police contract with a population of less than 5,000? Would you please list all the municipalities and their population which are being policed by the Ontario Provincial Police free of charge? Would you please inform us of the criteria for Ontario Provincial Police contract policing to municipalities and the criteria for providing Ontario Provincial Police services free to municipalities, which municipal-

ities have requested OPP contract policing and which municipalities have requested free OPP policing? Would you also advise us of the implementation dates of OPP policing, both contract and free, for these municipalities? [Tabled November 1, 1985]

See sessional paper 247.

#### NORDEV PROGRAM

**84. Mr. Bernier:** Would the Minister of Northern Affairs and Mines please provide a list of all the northern Ontario regional development applications received by his ministry since June 26, 1985, giving the name and address of the person applying and the date of the application? Would he also provide the amount of assistance requested, the date of disposition and the amount approved? [Tabled November 4, 1985]

**Hon. Mr. Fontaine:** As the member may recall, the guidelines for the Nordev program, as well as the actual application forms, guarantee confidentiality to all applicants. As the minister responsible for the program, I fully intend to honour that commitment and must therefore decline specific information about applicants.

Applications which have been approved and the offers of assistance made are a matter of public record and are publicized regularly in press releases.

The following brief table indicates the quantity, value and disposition of applications received during the period in question:

Month	Applications Received	Amount Requested	No. Finalized	Amount Approved
June	5	\$ 307,000	3	\$ 10,000
July	43	1,678,622	32	614,821
August	55	2,021,959	32	391,789
September	51	1,901,576	18	289,078
October	47	1,213,870	10	88,002
November	5	194,550	1	—
	<u>206</u>	<u>\$7,317,577</u>	<u>96</u>	<u>\$1,393,690</u>

#### PUBLIC SERVANTS' LIABILITY

**93. Mr. Mackenzie:** Will the Chairman of Management Board of Cabinet indicate the extent of any personal liability for loss of or damage to equipment which public servants assume when asked or required to take equipment home for work-related reasons? [Tabled November 6, 1985]

**Hon. Ms. Caplan:** Except where negligence on the part of the employee can be proven, the

ministry accepts liability for loss of or damage to equipment which is taken home by employees for work-related reasons.

#### KENNEDY LODGE NURSING HOME

**95. Mr. Warner:** Would the Minister of Health please table the inspection report on Kennedy Lodge Nursing Home (Scarborough), dated March 1985, and inform the House if any action has been taken to correct the conditions cited in the report? [Tabled November 8, 1985]

**Hon. Mr. Elson:** The inspection report is a public document, available through the legislative library, the Ministry of Health library, the offices of the nursing homes branch and is posted in the nursing home.

The nursing home submitted a compliance plan to the ministry, which was accepted. Follow-up inspections showed that four areas had not been corrected, and I have asked the ministry staff to review this situation and advise me of appropriate action.

#### INTERIM ANSWERS

**82. Mr. D. S. Cooke:** Hon. Mr. Elston—We are reviewing the request for information and a response will be provided to the House on or by November 22, 1985.

**85 to 91. Mr. R. F. Johnston:** Hon. Mr. Sweeney—The ministry will be meeting with the employee relations committee on November 29, 1985, in order to discuss the question of divestment of Surrey Place Centre. As a response at this time would be premature, the ministry will table a response to the above-noted questions on or about December 2, 1985.

**92. Mr. Mackenzie:** Hon. Ms. Caplan—The detail required by this question will necessitate an in-depth review by all ministries. Accordingly, the information cannot be provided within the normal 14 days. An answer should be available approximately February 28, 1986.

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No. 50

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**First Session, 33rd Parliament**  
Monday, November 25, 1985

Speaker: Honourable H. A. Edighoffer  
Clerk of the House: R. G. Lewis, QC




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# LEGISLATIVE ASSEMBLY OF ONTARIO

Monday, November 25, 1985

The House met at 2 p.m.

Prayers.

## LEADER OF THE OPPOSITION

**Mr. Speaker:** I beg to inform the House that on Friday last I received the resignation of Frank S. Miller, Esq., member for the electoral district of Muskoka, as leader of Her Majesty's loyal opposition.

I therefore recognize Larry Grossman, QC, member for the electoral district of St. Andrew-St. Patrick, as leader of Her Majesty's loyal opposition.

## STATEMENTS BY THE MINISTRY

### TEACHERS' LABOUR DISPUTE

**Hon. Mr. Conway:** Last Thursday representatives from the Ontario Secondary School Teachers' Federation and the Wellington County Board of Education met in Toronto to try to negotiate an end to the teachers' strike in Wellington county.

During those talks, the parties met with the mediator in that dispute and the chief executive officer of the Education Relations Commission. The chairman of the ERC was in Toronto and was prepared to attend the meetings if any progress was made in the course of the negotiations. I was also prepared to meet with the parties if any advance was made towards a settlement. Unhappily, no such progress was made in the talks and the meeting was recessed on Thursday night.

In the course of this dispute, I have consistently followed the procedures of Bill 100 and have sought the direction of the Education Relations Commission. Late Friday the commission delivered an advisement to me regarding the Wellington dispute. The advisement reads in part:

"We wish to stress that each dispute must be viewed in the context of its own particular facts and that we are not making a finding that a sanction of any particular duration necessarily justifies a conclusion such as the one we have reached in the instant matter.

"In summary, however, it is our opinion that the continuance of the strike with no reasonable prospect for a negotiated settlement will place in

jeopardy the successful completion of courses of study of the students in Wellington county."

This government, too, is greatly concerned with the education of students in Wellington county and is therefore introducing legislation today to end that strike. Our legislation, however, differs in an important respect from past legislation dealing with strikes and lockouts in Ontario education.

As I have explained to the House on other occasions, I believe the best outcome is one that the parties jointly negotiate. Unfortunately, although intense efforts have been made to settle this dispute, a locally negotiated settlement has not been achieved.

This is indeed unfortunate because a fair proposal for settling the dispute was placed before the parties in Wellington county by the mediator. If the parties in Wellington had accepted the mediator's proposal, as was done recently by the parties in a similar dispute in Grey county, the strike in Wellington could have ended two weeks ago.

I have been informed by the Education Relations Commission that the mediator's proposal for Wellington is close to what would have occurred in the way of a settlement had the parties negotiated their own agreement. I have been assured as well that the proposal is a fair one and one that is not unreasonable when compared to other teacher-board collective agreements. It is interesting to note, for example, that the mediator's proposal for Wellington county is very close to the mediator's proposal that was accepted and ratified by the two parties in Grey county last week.

We as a government are disappointed that the parties were not able to negotiate their own agreement in Wellington county, although it was well within their power to do so. Accordingly, we have not provided for compulsory arbitration as the method of dispute resolution in this legislation. Instead, we have adopted the terms of settlement proposed by the mediator two weeks ago. I would again stress that, according to the Education Relations Commission, these terms would have been the approximate settlement had the strike run its course. They are fair and reasonable terms.

This is not the best solution, legislation in these situations never is; but it appears to be the best and fairest solution under the circumstances. It sends out a signal to other negotiators in this province that they should resolve their disputes through local negotiation and mediation. It saves the taxpayers of Ontario the additional expense that would arise from arbitration in this dispute, which has already lasted far too long.

By following this process, the teachers and the board now know what their collective agreement is to be and they will not be forced to go through an acrimonious, lengthy and costly arbitration process. Finally, it adopts the terms that were recommended by an individual who is not only neutral but who has also spent more than 300 hours with the parties. Through that process he has come to know the issues and the parties' positions thoroughly.

Earlier today I met with representatives of both parties in the Wellington dispute. I have informed them of the government's intention to end the dispute through legislation based on the mediator's proposal.

I have also informed both parties in Wellington that this legislation, to be introduced later this afternoon, will not be called for third reading before tomorrow night. Therefore, the parties still have time to settle this dispute themselves. I am hopeful they will; but let there be no mistake about it, this government will proceed with the legislation if they do not.

We are concerned about the students in Wellington county and about their future. I have therefore asked my colleague the Minister of Colleges and Universities (Mr. Sorbara) to intercede on behalf of the students from Wellington county who may be applying to college or university so that no student will be unfairly disadvantaged as a result of this strike.

**2:10 p.m.**

Recognizing that this dispute may have left behind unresolved tensions, I have also asked the Education Relations Commission to assist the Wellington County Board of Education and its secondary school teachers in improving their ongoing working relationship.

In the meantime, when classes resume in Wellington county secondary schools, I expect both the board and the teachers to co-operate fully in the students' best interests to make up the instructional time lost during this dispute.

**Mr. J. M. Johnson:** On a point of privilege, Mr. Speaker: In view of the fact I am so concerned with the strike in Wellington, I would

ask the minister to please send me a copy of the statement.

#### NORTHERN HEALTH SERVICES

**Hon. Mr. Elston:** A few weeks ago I informed the members of this House that one of the issues on which our government is determined to move and to move quickly is the need to improve health care services for the people of northern Ontario. This is an issue on which a number of promises were made by the previous government over the past several years. It is one on which the Peterson government will now act.

We all recognize that people who live in northern Ontario are often required to take long and expensive journeys in order to receive specialized medical care. This has been a fact of life in the north that has continued far too long. When our Liberal government was elected last spring we made it a priority that we would change this situation.

Northerners are entitled to the same medical care as other residents of the province. I am committed to ensuring that neither they nor their children will ever have to forgo treatment because of financial concerns. After a series of very helpful meetings with specialists, general practitioners and hospital administrators in five northern centres last month, we have decided to proceed on two fronts.

I want to acknowledge the contribution made by my parliamentary assistant, the member for Wentworth North (Mr. Ward), who laboured long on behalf of this government in the formation of the policy. As well, I would like to acknowledge the contribution of the 15 members who come from ridings considered to be in northern Ontario. The contribution of those members likewise was extremely helpful in formulating this policy.

Our first initiative is the introduction of the northern health travel grant, which will start next Sunday, December 1. This program is expected to cost approximately \$3 million for the remainder of this fiscal year, \$10 million next year and just over \$13 million each year thereafter. Under this program, residents living north of the French River who must travel significant distances to receive medically necessary care will be able to qualify for financial support.

The northern health travel grant program will provide financial assistance towards the transportation costs of northerners who must travel more than 300 kilometres one way from their place of residence to receive medical specialist or hospital services in Ontario or Manitoba. For



those in the Legislative Assembly, I would like to indicate at this time that Manitoba is included because of the close relationship the areas around Kenora have to that medical centre in Manitoba.

The grants will range from \$125 to \$350 for each return trip and will be based on the distance travelled to the closest appropriate medical specialist as determined by the referring physician. For example, from Kapuskasing to Sudbury, the grant would be \$150; from Thunder Bay to Toronto, it would be \$300. We fully expect in the great majority of cases these grants will cover all or almost all travel costs for eligible patients. If the patient is under 18 years of age, a grant may also be provided for an adult relative or guardian to accompany the patient.

If the patient is transported one way by ambulance, he or she will be eligible for a 50 per cent travel grant since the ambulance journey already is an insured service under the Ontario health insurance plan. If the specialist determines that future visits are necessary, these repeat trips will be eligible for the same level of grant.

During the next several days, general practitioners and specialists across northern Ontario will receive an information package and a supply of application forms for the northern health travel grant program. The patient being referred for specialist services will be required to have the application form completed by both the referring physician and the attending specialist. The patient will then complete the application and forward it to the Ministry of Health for reimbursement.

Based on discussions with northern physicians, it is my expectation that many of the grants paid under this program will be for travel within the north. This initiative should therefore help to strengthen local referral patterns. I believe the northern health travel grants will improve the level of health care available to the residents of northern Ontario and make the services of medical specialists more readily available to a greater number of people.

We have another basic objective, namely, to make northern Ontario as medically self-sufficient as possible. To do this, we plan to increase the availability and accessibility of medical specialist services throughout the north. Therefore, I am also announcing today the establishment of our second northern health care initiative, the medical specialist incentive program.

Under this plan, medical specialists will be encouraged to establish practices in northern Ontario communities. Financial incentives of up

to \$40,000, payable over four years, will be provided to these physicians to help them set up their offices and get their practices under way. Our aim is to establish 50 new specialist practices across the north in the next several years.

Once their practices are under way, the specialists will be encouraged to develop outreach programs to visit smaller communities in surrounding areas. The medical specialist incentive program will provide allowances towards the costs of travel, accommodation and the loss of professional time while making these community visits. These allowances will be available to specialists already working in the north as well as those who will be moving there as a result of this new program.

Capital and operating funds will also be made available to help equip facilities that the specialists will need during their visits to the smaller communities. We are projecting that these medical specialist incentives will cost a total of \$6.7 million over the next four years.

In order to determine the types of additional medical specialties now required in the north, where specialists should be located and the patient referral patterns that might be developed to improve access to care, we will establish committees to advise me on all these matters.

Northern specialists, general practitioners and the hospitals have all been involved in the design and development of these two programs. They will continue to play key roles as these programs are now implemented.

In addition to these new northern programs, I am also announcing that \$2.5 million has just been approved by my ministry for perinatal services at four northern hospitals. Perinatal units give specialized care to high-risk pregnant women, including women in premature labour, and high-risk newborn infants. A capital grant of just over \$1.5 million will go to Sudbury General hospital to accommodate an expanded perinatal unit on its obstetrical floor.

The ministry is also making available more than \$1 million to cover the operating costs of specialized perinatal services in three other hospitals. The General Hospital in Sault Ste. Marie will receive \$318,000; the General Hospital of Port Arthur in Thunder Bay, \$362,000; and St. Joseph's General Hospital in North Bay, \$352,000. These hospitals are now operating ministry-approved perinatal units. The funds announced today will enable the hospitals to establish their programs on a firm financial footing.

Sudbury General hospital will also get a capital grant of \$313,000 from the ministry to build an elevated helipad. The hospital is now a major trauma referral central for the Sudbury region. The new helipad will speed up the transfer of emergency patients directly into the hospital's emergency department. Construction of the helipad will begin immediately.

I am confident each of these programs—the northern health travel grants, the medical specialist incentives, the additional funding for the perinatal services and the new helipad in Sudbury—will greatly benefit people living in the north. This government is firmly committed to providing the best health care possible to every resident of the province. Northern Ontarians deserve no less.

**2:20 p.m.**

**Mr. Pope:** On a point of order, Mr. Speaker: Is it in order for the minister to announce as a new program something that this government has been funding since June 1985?

**Mr. Speaker:** Order. I suggest the question period will commence shortly. That is not a point of order.

#### INDIAN BAND AGREEMENT

**Hon. Mr. Scott:** I am pleased to announce today that we have reached a memorandum of agreement among the parties involved in the mediation talks regarding the discharge of mercury into the English-Wabigoon river system. The agreement, achieved with the full co-operation of the parties, including Great Lakes Forest Products Ltd., Reed Inc. and the Islington and Grassy Narrows bands, calls for payments totalling \$16,667,000 to the bands involved.

The breakdown is as follows: Ontario will contribute \$2,167,000, Great Lakes will contribute \$6 million, Reed will contribute \$5.75 million and the federal government will contribute \$2.75 million.

Of these moneys, \$2 million will be used to capitalize a mercury disability fund which will be administered so band members are eligible to receive compensation if they demonstrate both exposure to mercury and symptoms consistent with mercury contamination. In the event that \$2 million is not sufficient to capitalize the fund, which I doubt, and more money is needed to facilitate the ultimate resolution of these matters, Ontario has agreed to be responsible for topping up the fund.

The monetary contributions by the parties and the establishment of a mercury disability fund

will provide some of the resources the Indian communities require to take control of their futures successfully. The bands will each receive approximately \$7 million for their own use, the majority of which I understand will be put towards social and economic projects which we hope will greatly further the efforts these bands are making towards restoring a sense of control over their own destiny.

We hope this agreement, when fully implemented, will begin to heal the cultural and social wounds that these communities have endured over many years. Members of this Legislature are aware that this has been a long and tortuous process. It was clear to me from the positions taken by the parties to these negotiations that innovative and creative solutions were required. To that extent, I would like to acknowledge the key role played by Peter Jacobsen of the Ministry of the Attorney General over the past several months. He was instrumental in assisting the parties to reach an equitable settlement, and he is with us today in the members' gallery.

To implement the settlement of these issues, both Ontario and the federal government will be enacting whatever legislation is necessary and within their respective legislative jurisdictions to give effect to the memorandum of agreement.

We cannot expect the native people to be convinced of our compassion and goodwill as a result of a single memorandum of agreement. Rather, we must hope that this agreement, in spite of the time it has taken, will be viewed as a positive step towards achieving a spirit of trust and co-operation among the governments, the native people and corporate business interests.

In my opinion, this is a watershed agreement. I am delighted this government has apparently been successful in helping to bring a measure of justice to those most affected by this tragedy. As Anastasia Shkilnyk said in her book, *A Poison Stronger Than Love*, we must never forget that our own survival depends upon restoring a sense of mutual responsibility for one another and ultimately for the fate of the earth.

#### REPORT ON WAGE PROTECTION

**Hon. Mr. Wrye:** It is my pleasure to take this opportunity to make public the final report of the Commission of Inquiry into Wage Protection in Insolvency Situations.

As honourable members will know, in recent years the whole question of an employee's capacity to recover wages owing to him or her when an employer becomes insolvent has been a difficult one. In a number of cases, once such



secured creditors and bankers and suppliers have been paid there has not been enough money left to satisfy the legitimate wage claims of employees. More to the point, the only recourse in these situations has been through legal action. That remedy has proved to be expensive, time-consuming and ineffective.

Against that background, in June 1983 a commission of inquiry was established to examine the situation and to make recommendations to provide for greater equity for employees. Donald J. M. Brown, QC, was appointed sole commissioner.

In his report, Mr. Brown concludes that ideally the federal government should accept its primary responsibility for legislation relating to wage protection in insolvency situations. He notes, however, that unless and until the federal government acts, the province does have legislative authority to provide wage protection. It is the intention of this government to fill this legislative vacuum.

Mr. Brown recommends that actual wage arrears, vacation pay and some benefits be protected by amendment to the Employment Standards Act. These amendments would guarantee wages through a combination of three approaches: creating a trust, establishing a fund and applying personal liability to employers.

Upon an employee commencing employment, an employer would be deemed to hold three pay periods of wages in trust for the employee. This trust would be modelled on the existing Employment Standards Act section, which the courts have upheld as an effective means of protecting vacation pay. A security would be created that would attach to all except fixed assets to ensure the trust.

Mr. Brown also recommends that employers, including officers and directors, be made personally liable for wages. This liability would be enforced through quick action by the director of employment standards in which 150 per cent of unpaid wages would be recoverable. The creation of liability for 50 per cent more than actual wages owed would serve as a deterrent as well as a penalty and partial funding source for the third of Mr. Brown's approaches: an unpaid wages fund.

This fund would be established to ensure that no employees lose wages even where no assets are available. The fund would be administered by the director of employment standards and paid for out of the consolidated revenue fund or by increasing fees for nonconsumer security registrations. The limits to claims from such a fund

would be one year's vacation pay and three pay periods of wages.

The Brown report brings together for the first time the complex legal and financial aspects of wage protection into one coherent explanation. It is a first-rate effort, and I would like to thank Mr. Brown publicly for it.

I would like to tell honourable members that my ministry will be undertaking immediately a thorough analysis of its recommendations with a view to taking early and appropriate action. Through federal legislation, provincial legislation or a combination of the two it is my intention to ensure that this important area of public policy is addressed effectively and to the benefit of the working men and women of Ontario.

2:30 p.m.

### GREY CUP GAME

**Hon. Ms. Munro:** On a point of privilege, Mr. Speaker: A vital component of this province's cultural heritage was on display across this country on Sunday afternoon. I am speaking, of course, of Hamilton's beloved Tiger-Cats and the 1985 Grey Cup game. I know all honourable members will join me in extending best wishes to my home-town team for a battle well fought.

As a fitting wager for the Grey Cup game, I had been thinking of asking the member for London Centre (Mr. Peterson) to put his vocal skills on the line with those of Premier Bennett of British Columbia. However, because of the results of the honourable member's last wager, I decided discretion would be the better part of valour.

Finally, as part of all honourable members' cultural education, I hope they will join with me in shouting these words with conviction as an entrée for the Hamilton Tiger-Cats entering the Grey Cup 1986 foray. Are they ready? Oskee Wee Wee; Oskee Wa Wa. Holy Mackinaw; Tigers, eat 'em raw. Yeah.

**Mr. Speaker:** I am not certain whether that is a point of personal privilege. However, it might be classed as a demonstration.

### ORAL QUESTIONS

#### TEACHERS' LABOUR DISPUTE

**Mr. Grossman:** I have a question for the Premier that addresses the government's competence in dealing with the teachers' dispute, which it has finally decided has gone on too long.

The members on this side concluded some time ago that the strike had gone on too long. One cannot resist reflecting on the fact that only on Friday afternoon did the government become

convinced it had gone on too long, just short hours after this party, led by the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson), had brought that circumstance to its attention.

Having scored that victory on the government and having finally prodded it into action, I should like to hear from the Premier how many times he has spoken to the chairman of the Wellington County Board of Education since September 30.

**Hon. Mr. Peterson:** Once.

**Mr. Grossman:** We have spoken to the chairman of that board, who has told us it was on September 30 that the Premier spoke to him. Subsequent to that time, the chairman of the board, by his recollection, has called the Premier on at least six occasions. He has been trying to make the point, as he has made it in written communications to the Education Relations Commission as long ago as November 1 and November 12, that the school year was in jeopardy—I will wait until the Minister of Education (Mr. Conway) has finished telling the Premier what to say.

**Mr. Speaker:** Question.

**Mr. Grossman:** He has been trying to tell the Premier since November 1, when he informed the ERC, that the school year was in jeopardy for those students. He was begging to be heard by the Premier, not by his minister, who only spoke to him a week ago.

There is this open government. I read in the paper that anyone can call the Premier's office and he will see anyone and that there are no walls or barriers around his administration. Can the Premier explain to this House why in that period of time he did not have the time to receive and take a phone call on six occasions from September 30 until last week, when he decided to legislate them back to work?

**Hon. Mr. Peterson:** First, the minister talked to him on two or three occasions. Second, I do not interfere in labour negotiations.

**Mr. Grossman:** Just for the record, let me clarify the information the Minister of Education is whispering to the Premier. He spoke to them twice. The first time he spoke to the chairman of the board was one week ago. That addresses the competence of this government in looking after this matter.

Now the Premier has responded by indicating he does not get involved in labour matters. Let me remind him that the last time we were faced with a crucial circumstance was a year ago. It was November 1, 1984, when the community colleges were out on strike.

**Mr. Speaker:** Question, please.

**Mr. Grossman:** After the second day of the strike, the now Premier concluded that courses were in jeopardy and it was time for the Legislature to send the community college teachers back to work.

I want to say this to the Premier and ask him—

**Mr. Speaker:** Order. Have you a supplementary?

**Mr. Grossman:** Yes, I have a supplementary. It relies upon this quote from the then Leader of the Opposition, now the Premier:

"It is our belief that this strike needs the minister's personal intervention, and that is something she can do in these circumstances. As she will modestly recall, she personally has been instrumental in solving strikes in the past. Given the spirit of leadership she has demonstrated in the past, will she get involved in this?"

May I ask the Premier how he reconciles the position he took a year ago with the statement he made a minute ago that he does not get involved in teachers' disputes?

**Hon. Mr. Peterson:** It is interesting that the honourable member quotes his absent colleague on this matter. How are the two of them getting along these days? It would be interesting to know that.

With respect to the member's question, he will recall the former government let the Sudbury strike go on for 56 days. There is a procedure to be followed in these matters. It is all laid out in the statute, and that is exactly what we followed. The Education Relations Commission made a finding of jeopardy on Friday last, and we have moved today.

I remind my honourable colleague that it is not up to one of the interested parties, that is, the chairman of the board, to determine jeopardy. It is the responsibility of the objective group that the member's party brought in by legislation, called the ERC.

## INSURANCE RATES

**Mr. Grossman:** May I see if we can get the Premier to answer just one question this afternoon, since he did not answer the last one?

The Premier may be aware, again on the question of competence and consultation, that many small bus companies now are facing bankruptcy because of the skyrocketing insurance costs they are facing. To cite one example, Charlie Lewis, a small businessman in St. Thomas, has found that he has a \$17,000 insurance increase for one bus alone.



The Ontario Motor Coach Association wrote to the Premier on September 18 on this issue. Given all the Premier's talk about open government and consultation, and given the history we saw when it came to the Wellington County Board of Education and his inability and unwillingness to return phone calls to the chairman of that board, can he explain this afternoon why the letter written to him by that association on September 18 has gone unanswered? Will he give us a commitment today to take a moment out of his time to meet with that group?

**Hon. Mr. Peterson:** In answer to the question and to the competence of the opposition, if it wants to run messages into this House with respect to my unanswered mail—and I get hundreds and thousands of letters a week—I am delighted; that is a constructive way to use the opposition. I get lots of other letters. If the honourable member has any I did not respond to, let him please bring them forward in this House and we will deal with them in this way.

Is he asking me if I am going to answer my mail, if I am going to meet with them or if I am going to deal with the insurance question? I can assure the member opposite that if he would like to join my staff and arrange meetings on my behalf, I would be delighted to have him. I would be very happy to meet with anybody he would like me to meet.

Interjections.

**Mr. Speaker:** Order.

2:40 p.m.

**Mr. Grossman:** Sometimes we have difficulty hearing what the Premier is proposing, in the middle of those long answers; whether he ever says yes or no. Just so he may help us, the Premier has refused to give adequate and real hearings to the farmers on the spills bill, the pharmacists, and now the Ontario Motor Coach Association. Is the Premier saying this afternoon that, having ignored and neglected all these groups, he is now willing to meet with them—the Premier, not his ministers—as soon as they call him?

**Hon. Mr. Peterson:** I do not want to be unkind, but that is a silly question and the answer is no. The question was would I meet with them when they call; and the answer is no. What I am prepared to say is, interestingly enough, as I travel about this province to meet with groups they talk about how all the ministers have been accessible; all of them have met with various groups. There is a large group of people here

involved in constant ongoing dialogue with all of these groups and we will continue in that mode to be an open government; unlike as in the past.

**Mr. Rae:** I would have thought the question would not be why does the Premier not answer his mail and his phone calls, but with respect to the insurance industry today, in which people face a number of problems. The Premier must be aware of them.

What is he going to do to ensure that small companies and small businesses have access to insurance in this province at a decently affordable rate? What is he going to do to make sure that happens so that people will not be driving around without insurance and be driven out of business because they cannot get insurance?

**Hon. Mr. Peterson:** The member for York South asked a very good question because there is a real problem. I want to congratulate him for his perspicacity in asking that penetrating question.

There is a problem with insurance right across this country, right across North America today, as he is aware. As a result of some of the environmental disasters, such as Bhopal and others, there are reinsurance companies who are reassessing their position in the market today. It is making things more difficult. Members will be aware of the federal insurance company that was taken over last week by the federal government. Again, there is a concern in that area. I can assure the member that the minister responsible has been meeting regularly with the industry, as well as the reinsurance industry, to solve those problems for Ontario companies and citizens. We think we are coming close to a solution.

**Mr. Grossman:** The Premier has indicated the answer is no, he will not meet with the pharmacy groups, the Ontario Motor Coach Association and the farmers. May I ask the Premier a very simple question? Will he agree to meet with those groups if they join the Liberal Economic Advisory Forum?

**Hon. Mr. Peterson:** You may want to go back and check Hansard, Mr. Speaker, but the honourable member asked me if I would meet with people as soon as they wrote. I am happy to meet with anybody. I met with the Ontario Federation of Agriculture last week. They were delighted with the open response of this government in discussing the spills bill. Last week, we met with northwestern Ontario chambers of commerce and they were thrilled with the degree of consultation. We will continue to do it.

I am looking for more help, obviously. If the honourable member is aware of groups that

would like to meet with me, if he could phone he can work as part of my secretarial pool and I would be delighted to have his help when he has those requests. I will go out of my way to accommodate the member with his friends any time I can, because we are in minority government. It is important we all work together. When he gets phone calls that are meant for me I will be delighted to assist him in answering those.

**Mr. Rae:** On a point of order, Mr. Speaker: I hope the opportunity will arise at the end of question period for us to afford the welcome to the newly installed Leader of the Opposition (Mr. Grossman) that I am sure we would all want to do. I have some things to say, but I do not want to take away from question period to say them.

### NURSING HOMES

**Mr. Rae:** I have a question for the Minister of Health about nursing home financial accountability. The minister will be aware that we on this side have been raising this question for many years. In 1983 I raised an example of one nursing home that was making clear profits of about \$5 a day per resident but was spending only \$1.90 per resident on food.

I am sure the minister will have read and heard in the various media during the trial that is now under way of Mr. Buxbaum, the oft-described millionaire nursing home owner, of his own particularly extravagant lifestyle. Mr. Buxbaum, as the minister will know, is the owner of several nursing homes. He has been receiving a substantial sum of money from this province for a very long time.

How does the minister feel about the phrase "millionaire nursing home owner"? How does he feel about the fact that individuals performing a public service heavily subsidized by the government of Ontario are self-described millionaires? What does he intend to do about the lack of financial accountability within the system? What does he intend to do to open up the books and ensure that residents are getting their fair share?

**Hon. Mr. Elston:** I think it is unfair to compare the operators of nursing homes in the province to the unfortunate situation that is on trial publicly now. It is unfortunate that the honourable member took the opportunity to reflect on an entire profession, the profession of operators of nursing homes, the qualities that are reflected and are being described in the media as a result of a particular trial. I do not think that is appropriate and on reflection he would probably wish not to indicate that all nursing home operators are in the same situation.

We do have people in the nursing homes business who are having an extremely difficult time making ends meet with some of their operations, and we are reviewing the entire nursing home situation not only under the auspices of the Minister without Portfolio, the member for London North (Mr. Van Horne), who is responsible for senior citizens' affairs, but also in my own ministry, where we are taking a look at the co-ordination of our services for seniors and at providing services in a better and more complete manner.

Our analysis has gone quite far, and we are looking at ways of improving that care. That, from my standpoint, is the bottom line: the care of the residents. I am taking steps to ensure better care for the residents in those nursing homes.

**Mr. Rae:** The bottom line is care for residents. If that is the minister's bottom line—and I can assure him it is ours as well—why the hush-hush about the other bottom line, which is to say the profits that are being made in the nursing home sector by companies and by individuals who are heavily subsidized by the government of Ontario?

What does the minister intend to do to demonstrate real financial accountability when, in the case of Mr. Buxbaum, his companies received \$6 million last year from the government of Ontario and all nursing homes received \$250 million? What does he intend to do to ensure that we do achieve the bottom line of quality of care for people? Will he do that by fully publicizing the financial information of the companies involved?

**Hon. Mr. Elston:** I do not intend, nor do I think it would be constructive, to punish people who have made some profits in that industry. I do not think it would be helpful to the people who live in those nursing homes to cut down automatically, if that is what the member wants me to say, the profit levels of some of those operators. In a number of cases there are no profit levels to cut back.

2:50 p.m.

The honourable gentleman asked me what I intended to do. I have said on many occasions in this House that we have taken a number of steps that have been designed to increase the quality of care we deliver to those people in the province. For instance, we are upgrading co-ordination of inspection services; we are making available new guidelines for food handling; we are providing a better, more co-ordinated attempt to put together regulations that can be enforced and will guarantee quality of care.



Those are some of the steps we have taken. In addition, we have an ongoing review inside our ministry designed to improve the nursing homes branch. We are dedicated to improving it. We are taking steps and we are moving fairly quickly in those areas.

**Mr. Gordon:** Given the fact that we are in need of more than 100 chronic care beds in Sudbury, would the minister be prepared to provide money for a nursing home in that area or to give it to the hospital?

**Hon. Mr. Elston:** That is not a supplementary to the question, but the member may well know that when his party formed the government it was unable to come up with a program that would address the needs in Sudbury. They were unable to address the needs of northern Ontario. We are working very hard to do that, and I welcome his suggestions as to how we might meet some of the needs in Sudbury that have gone unanswered for many years.

**Mr. Runciman:** On a point of personal privilege, Mr. Speaker: The member for York South (Mr. Rae) tried to malign a nursing home operator now on trial for murder and tried to malign all nursing home operators in the province. He tarred them all with the same brush. As a member of this House, my privileges were offended. I would like to go on record as saying I do not think this party or most members of this House agree with that kind of smear tactic.

**Mr. Speaker:** I have listened very carefully and I cannot consider that a point of privilege.

**Mr. Rae:** I have a final supplementary to the minister. When I asked this question in 1983, the then minister, now the Leader of the Opposition (Mr. Grossman), said he was not concerned about how nursing homes invested their money. When I raised the matter in 1984 with another of the minister's predecessors, he said he would not try to determine who should invest in nursing homes other than to ensure they were reputable and responsible individuals.

We have now had a number of indications from the Tories as to what they intend to do to ensure financial disclosure, which is what the issue is all about. I would like to ask the minister why there is hesitation in his party and on his part today to say clearly that financial disclosure on hundreds of millions of public dollars that are flowing to care for the senior citizens of this province should be a fundamental premise of the way we operate health care in Ontario. Why the hesitation in saying that when it is such an obvious thing to do?

**Hon. Mr. Elston:** I have indicated to the member on other occasions that I feel in developing programs that will meet the needs of the people of the province who are residents in nursing homes it is best not to do it in bits and pieces, one section at a time, but to co-ordinate a strategy to develop quality care proposals for those residents.

We have undertaken through the Minister without Portfolio responsible for senior citizens' affairs a massive review, an undertaking by this government that displays a commitment that has not been shown in any other Legislative Assembly across this country. I think the intervention we made to try to co-ordinate inspection services indicates a response to a need to co-ordinate services to those people.

I am conducting a review of the nursing homes branch in my ministry. We are putting together a very comprehensive package. When we have that program put together the member will be among the first to be advised of it. The member will have been advised already that we have met with a number of interest groups to discuss the very questions he raised. I am not prepared to make piecemeal announcements. We are prepared to put together proposals that will apply right across the province.

#### DE HAVILLAND AIRCRAFT OF CANADA

**Mr. Rae:** I have a question for the Premier about the future of de Havilland and the future of the aerospace industry in Ontario. The Premier will know that, according to all press reports, Boeing has already been given the inside track by the federal Tories and it now appears that a company that has been basic to aerospace and our capacity in that industry in this province is about to be sold to an American multinational company.

I would like to ask the Premier specifically, has his government considered a real objection to this sale? Has he considered other options, including a bid by the government of Ontario to ensure that these jobs and the technology stay in Canada, and the capacity to produce world-class aircraft stays in the province?

**Hon. Mr. Peterson:** I have not seen a serious proposal, nor have I discussed one from this government's point of view, of the province taking a position on de Havilland. That is not something this government has contemplated. Now that the member brings the matter to my attention, I recall there was some discussion by the former government. I gather the former leader of the Conservative Party suggested he

would like, or was prepared, to buy a piece. I could well be misinformed. I gather the current leader of the official opposition has said he would not. I am just going by memory. We have not contemplated that. Obviously, we are concerned about those jobs and the research and development in the province. It has not gone so far in our minds as to take a position.

**Mr. Rae:** God forbid that events should proceed so far as to have to take a position. Specifically with respect to de Havilland, it now appears, according to press reports this morning in a column by Mr. Winsor in the *Globe and Mail*, the matter has already gone through a cabinet committee at the federal level, and we all know the predisposition of Sinclair Stevens to sell off all public assets at fire-sale prices. That is part of his ideology.

Why does the Premier not take a position today? Why not indicate that position firmly in this House and indicate what it is? Is the sale of de Havilland to a multinational like Boeing acceptable to the government of Ontario or not?

**Hon. Mr. Peterson:** I think there has been some misunderstanding. We have taken the position not to take a position; i.e. we do not feel it is in the interests of the taxpayers in the province to become involved. We have enough experience with Suncor and other things we are trying to unwind.

I understand the following: there was a conversation with Mr. Stevens's office on Friday. We have been assured a deal has not been made and we will be given a chance to look at that before it is consummated, if it is. I understand there were two or three different bids. I am not sure of the details of each. It is and will be our strong position that those jobs, that research and development, should be kept here in Canada, in Ontario.

**Mr. Bennett:** Maybe the Premier would like to tell us now how many times he has spoken either to Mr. Stevens or the Prime Minister in relation to the potential sale of de Havilland and also his concern that, whoever should acquire it, there be some guidelines put into the deal so that we would retain the opportunity of employment in Ontario. How many times has he spoken to the officials in Ottawa? I am referring to the political officials who will make that decision.

**Hon. Mr. Peterson:** With respect to de Havilland, I have talked to the Prime Minister on at least one occasion that I remember and I have corresponded with him. I will be seeing him this week. If the member would like, I will bring it to his attention again and mention any other

outstanding business the member personally has with his government. If there is any request the member wants me to carry there, I will. I am sure the member will share his strongly held views for the short period of time he has been here in his new responsibility. I hope he will convey his strongly held views to Mr. Stevens. One of the problems, as the member knows—

**Mr. Bennett:** I do not need the Premier as a mouthpiece. Look after the people of Ontario. Do not worry about me. I look after myself.

**Hon. Mr. Peterson:** We know the member looks after himself.

Interjections.

**Hon. Mr. Peterson:** All of those guys look after themselves; that is why they are over there now.

We will take along the member's views. As he knows, Mr. Stevens has been ill. He has a considerable amount of business outstanding at the moment. We do not want to rush him and we have respect for people in his position. We will take those strong views, and I know the member will carry them on his own as well.

3 p.m.

**Mr. Rae:** Can the Premier tell us why the government has no position on the sale of a company that is the only integrated aerospace manufacturer in Canada and which employs 3,400 people. The taxpayers of Ontario, more than the taxpayers of any other province, have paid literally hundreds of millions of dollars to support the technology. It is a company wherein we have developed the sole technology for the Dash-7 and Dash-8. There is 50 per cent foreign ownership in the aerospace industry, and that figure will go up far closer to 100 per cent if this sale goes through.

Can the Premier tell us why the government of Ontario has no position with respect to that kind of a company when the stakes are so high for so many people, not only in Toronto but all over Ontario? Why does the government have no position on this?

**Hon. Mr. Peterson:** With great respect to my worthy colleague and friend opposite, we have the position not to take an equity position. Surely I said that some time ago. It is not our position to buy—

**Mr. Gordon:** That is not what the Premier said.

**Hon. Mr. Peterson:** Of course it is. We have a position not to take a position, i.e., we do not want to own shares of that company. What would persuade the member that we could do a better



job of running that company than the federal government has done? Obviously, our interests are to see those jobs in research and development maintained here in Ontario.

If the member is asking me to go out with \$50 million, \$100 million, \$200 million or \$300 million and buy that company, the answer, with all due respect, is no.

#### ONTARIO STOCK YARDS

**Mr. Shymko:** I wanted to address my question to the Minister of Agriculture and Food (Mr. Riddell), and I am really concerned that because of his consecutive and stubborn absence and the fact that he has apparently missed two standing committee meetings—

**Mr. Speaker:** Where would you like to address your question?

**Mr. Shymko:** I would like to address my question to the Premier. On Friday, November 8, the Minister of Agriculture and Food made an announcement with regard to a review of the Ontario Stock Yards. That statement is of great interest not only to my riding but also the riding of the member for York South (Mr. Rae). We congratulate the government on its decision to resurrect and reaffirm the Board of Industrial Leadership and Development reference in 1981 to the stockyards location.

I am deeply disturbed that in the list of people who supposedly will be consulted and asked for input there is no reference whatsoever to the unions, the workers in these facilities or the ratepayers. Is this another example of the type of open government the Premier is preaching? Is he planning a full and open inquiry or is this another brick wall, as mentioned by the member for Wellington South (Mr. Ferraro)?

**Hon. Mr. Peterson:** First, I am told the minister is addressing the Ontario Federation of Agriculture today. The member will be aware of the very fine efforts the minister has put forward on behalf of rural Ontario. He has brought more to rural Ontario than any other agricultural minister in the history of this province.

Second, I am not familiar with all of the terms of reference the member is referring to. I can certainly check and I would be happy to do that, but I cannot imagine a process that would not take all of those matters into account—the local community, the employees and everyone else—to effect the best situation. We are committed to that and I am sure the minister will follow up on your ideas.

**Mr. Shymko:** The workers are not mentioned and these people the Premier referred to are not

mentioned in the release. The Kelljair report, which was issued in July 1981, stated that the stockyard location, which was one of the options that will be studied by the minister and the government, depended on and was totally related to the operation of the slaughtering operation of Canada Packers Inc.

Now that the slaughtering operation has moved to Burlington and Kitchener, is the Premier considering as a result of that entire move a study of the feasibility of the present location of the stockyards? If so, is he planning on seeing a redevelopment of the 38 acres of prime real estate in the city of Toronto and perhaps moving that operation to an area such as the former Pickering airport site?

**Hon. Mr. Peterson:** I apologize to the member; I wish I could have a more precise answer for his questions. I do not have it, but I will ask the minister to give him any information he can. If the member has any ideas on this matter I am sure they will be most welcome.

#### ST. CLAIR RIVER

**Mrs. Grier:** I have a question for the Minister of the Environment concerning safe drinking water. The minister is aware that two weeks after the spill of perchloroethylene from Dow Chemical Canada Inc. last August the levels in the drinking water at Wallaceburg were dangerously high and close to the World Health Organization guidelines.

In view of that, how can the minister continue to claim there is no problem with the drinking water? Is he prepared to support the request of many of the citizens of Wallaceburg that the pipeline now bringing water from Lake Huron be extended to serve that community as well?

**Hon. Mr. Bradley:** My first recollection of the drinking water is that all the indications have been that the actual treated drinking water is acceptable and safe. Some questions arose, as I recall, about the raw water supply, but the indications were that the drinking water supply was within what we would call safe parameters. That is my recollection of it.

The second question she asked was about the potential. I have discussed this and will be discussing it further with the mayor of Wallaceburg. I discussed it with him in a conversation on the telephone. While I have not excluded that potential answer to the question, it would depend upon our further findings about just how serious the situation is with respect to its potential effect on drinking water from the St. Clair River.

I think the member understands there would be a large number of requests in a large number of places in Ontario for this kind of pipeline to bring water from different places were we to acquiesce to every request, understandable as it is because of the concerns all of us genuinely have, including the member for Lakeshore, about the St. Clair River situation.

I have not excluded that possibility, but I certainly would want to determine the precise extent of the problem in the St. Clair River, which we are working on at this time.

**Mrs. Grier:** Given what the minister has said, will he take action on a broader scale to protect the citizens of the entire province? Will he urge the cabinet to call forward for second reading the Ontario Safe Drinking Water Act, which I tabled in this House last Thursday, and give some assurance to the people of this province everywhere that their drinking water is safe? That is an opportunity for some real action. I would like to have the minister's commitment.

**Hon. Mr. Bradley:** The member may or may not be aware that for some time now our ministry has been working on what we call a drinking water strategy to enhance the efforts that have taken place in the past and the developments that have taken place over the years to improve the quality of drinking water in the province. I want to be able to look at the best possible vehicle for providing that safe drinking water.

One of them is, of course, the alternative the member suggests, which has been suggested on a number of occasions as one of the possibilities. There are other ways of enhancing the quality of the drinking water as well. Many of my ministry officials have come forward with some positive suggestions that really work towards the goal that all of us in this House, previous ministers, present ministers and others, have of always increasing the quality of water in the province or of preserving the quality of water where it is already safe.

**Mr. Brandt:** I appreciate the minister's responses with respect to the St. Clair River, raw water and drinking water quality. But in the light of the question raised by the third party, since the minister, when he was in a different position—namely, in opposition—made some comments on the quality of water, particularly in Lake Ontario and, more specifically, since his quote at the time indicated that drinking water quality in Lake Ontario was the worst in the world, I think he said, or very close to that, would he agree that since he feels this drinking water is of such a very low quality, we now require activated charcoal

filtration in some of those plants to bring drinking water quality up to a level that would be acceptable in this province?

**Hon. Mr. Bradley:** I am pleased to see the conversion on the road to wherever it is the member is on the road to.

**Mr. Brandt:** I said the minister said that.

**Hon. Mr. Bradley:** The member quotes something he thinks I said in the past.

**Mr. Grossman:** We will find it.

**3:10 p.m.**

**Hon. Mr. Bradley:** The Leader of the Opposition can look as long as he wants. Never mind his condescending attitude over there; we know he is in a new elevated position now.

**Mr. Speaker:** Order. Perhaps the minister would disregard the interjections and address his answer through the chair.

**Hon. Mr. Bradley:** Mr. Speaker, I will try very hard to disregard them.

Unlike the previous Minister of the Environment, who went around the province holding up a glass of water, drinking the water and saying, "I am not dead; it is the best drinking water in the world," I am a minister who says that wherever we find a problem that is going to affect adversely the drinking water in this province I am prepared to take whatever action is necessary to ensure we have safe drinking water in every part of the province.

#### AMERICAN MOTORS PLANT

**Mr. Bennett:** My question is for the Minister of Industry, Trade and Technology. I am sure the minister is aware of some of the reports today about another automobile manufacturing plant that is looking for a new location. I am referring to American Motors Corp.-Renault that wishes to move its plant from Kenosha, Wisconsin. It is said that it has been talking to Quebec. I would ask the minister today whether he has had any personal discussions with the management and the president of AMC-Renault as to what the possibilities are of the plant being located in Ontario.

**Hon. Mr. O'Neil:** I guess all kinds of announcements are coming out. I would not even be surprised to find that the new Leader of the Opposition (Mr. Grossman) will be opening an office before December 2.

AMC-Renault is currently considering construction of a facility in North America that will produce both its Reliance and Encore models. As reported, this proposed plant will replace the one currently producing Reliance and Encore models



in Wisconsin, which the company considers uncompetitive.

As the member is also well aware, the company is currently constructing a \$750-million, 1.2-million-square-foot facility in Brampton, Ontario, scheduled to begin production in 1987. We were told in discussions with the company that it is possible part of the Brampton plant will be used for production of those models. The indications are that the company is in the preliminary stages of weighing the options and that Ontario is being strongly considered.

**Mr. Bennett:** I am being about as successful with the answer to this question as I was with the one about Hyundai, when I asked the minister whom he had met and what he had presented on behalf of Ontario. I know it had not made any decision as of one o'clock today, when I took the opportunity of calling AMC-Renault to find out exactly what the news report was about. To the best of my knowledge, a presentation has not been made on behalf of Ontario. Has the minister or has he not made a presentation on behalf of this province to try to secure that plant for Ontario?

**Hon. Mr. O'Neil:** As I mentioned, it was just about a month and a half ago we went out and opened the facilities for the new plant in Brampton.

**Mr. Bennett:** I am asking about the transfer of the plant from Wisconsin.

**Mr. Speaker:** Order.

**Hon. Mr. O'Neil:** I am telling the member that as yet no decision has been made at all as to where that plant will be located.

**Mr. Foulds:** Can the minister tell us what steps he will take to establish contact with AMC-Renault and what steps his ministry will take to ensure Ontario gets a fair chance at this plant?

Interjections.

**Mr. Speaker:** Order.

**Hon. Mr. O'Neil:** I appreciate the question and the concern the member has. I can tell him that the officials of my ministry are in contact with a lot of companies and a lot of auto companies that are planning on locating here. We are in touch with them and we will keep in touch with them.

#### ASSISTIVE DEVICES PROGRAM

**Mr. D. S. Cooke:** My question is to the Minister of Health regarding his announcement last Friday of the assistive devices program.

As I have stated in this House before, in view of the fact that his former colleagues, Miss Copps, when she was Health critic, and the member for Kitchener-Wilmot (Mr. Sweeney), when he was Health critic, said the assistive devices program should be extended to all adults, and the committee reviewing the ADP made the same recommendation well over a year ago, why did the minister see fit to extend the program last Friday only to age 21? That is hardly helpful to senior citizens and many other adults who are desperately waiting for this government to act.

**Hon. Mr. Elston:** The honourable member is probably aware that one of the things we wanted to do was extend the program as quickly as possible to those people who had been assisted under the ADP program announced in 1982. I took it upon myself to ensure that we were able to expand that program across all classes of assistive devices so we would not lose those individuals.

At present we are taking active steps to have advice brought to us through the ADP advisory group to answer a number of questions which were never even addressed by the former administration. We need answers to questions, such as the involvement of other insurers and how we can implement programs. Those questions are now being addressed.

In the next three or four weeks, I will be meeting with the advisory group and also with a number of the interest groups that have been working actively on the ADP implementation side. I am looking forward to having a number of questions addressed and answered, so we can anticipate the broadening of our assistance to the seniors in Ontario.

**Mr. D. S. Cooke:** That is the same kind of answer we used to get from former Ministers of Health, always in the future but it never comes to fruition.

In his statement last Friday, the minister said the new program, or the extension to age 21, will cost an additional \$4.2 million, to bring the total to \$12.2 million. He must realize that in 1983-84 the government spent only \$4.7 million of its budget of \$10.5 million and in 1984-85 it spent only \$6.6 million of its budget of \$9 million.

Is history going to repeat itself this year? The minister is not announcing anything that is going to cost the government anything at all; he has simply spent unspent budget. Why does he not extend the program?

**Hon. Mr. Elston:** It is interesting that the member does not seem to think an expansion of the program is something that was needed. If he

does not want it then he should stand up and tell me.

This money was not put in the budget by the former government; it is money we have put forward as new money, new initiatives, to extend the program.

**Mr. D. S. Cooke:** It is unspent money, and the minister knows it is.

**Hon. Mr. Elston:** Even the member will understand that money does not survive from the previous fiscal years. This money is not sitting in huge pots somewhere because it went unexpended on this program. He knows—

**Mr. Rae:** All I know is there are 30-year-olds in wheelchairs in my constituency waiting for an answer from the minister.

**Hon. Mr. Elston:** The honourable gentlemen obviously do not understand that this is new money committed to an expansion of new programs to ensure that people who were previously covered under a program to the age of 18 years will not lose coverage as they go into the years 19, 20 and 21.

We are working very hard to ensure that people who are disadvantaged in this province are brought into a situation where they can be active and independent members of our society. I will make no apologies for that, and I will make no apologies for putting programs together which are well conceived and which will be effective in meeting the needs of the people.

Interjections.

**Mr. Speaker:** Order.

3:20 p.m.

### JOB SECURITY

**Mr. Bennett:** I have a question; again for the Minister of Industry, Trade and Technology.

**Mr. Mc Clellan:** You are getting ready to go out, are you?

**Mr. Bennett:** The only thing that is going out of this province is the third party; so do not worry about that.

My question relates to a story—

Interjections.

**Mr. Speaker:** Order.

**Mr. Bennett:** It does not take much to rattle the chain over there.

**Mr. Speaker:** Order. I am waiting for a question.

**Mr. Bennett:** I would be delighted to try to place one. It relates to a story that appeared in the Toronto Star this past Saturday, indicating that Petro-Canada was moving some 250 jobs from

its head office to Calgary. It went on to say other jobs as well could be involved in the transfer of responsibilities to the western part of this country.

I want to put it very clearly to the minister so there will be no ifs, ands or buts. Did the minister have any contact with Petro-Canada? Did he have any discussions with his staff and others at Petro-Canada in relation to this transfer of responsibility, and does he know his responsibility in trying to protect the jobs of those Ontarians who are currently employed by Petro-Canada in Ontario? Can he please give us an answer to those very simple, direct questions?

**Hon. Mr. O'Neil:** This government is always concerned about any job loss in this province. I will be very pleased to take that under advisement. If there are going to be changes in the job situation, especially in that field, the honourable member should have asked that question of his colleagues in Ottawa some time back.

**Mr. Bennett:** I take it the answer to that initial question is no, the minister has not been in touch with Petro-Canada, nor has his staff been in touch with Petro-Canada. It appears to us the minister is asleep at the switch once again on the issue of job protection in Ontario.

Let me place the question very simply in a supplementary. What is it the minister's intention, and will he tell us what he will do—

**Mr. Rae:** "What is it his intention?"

**Mr. Breaugh:** "What is it his intention?"  
Good stuff.

**Mr. Bennett:** I am glad I have a few English teachers around here.

Interjections.

**Mr. Speaker:** Order.

**Mr. Bennett:** Scratch it.

Interjection.

**Mr. Bennett:** That is okay, David. I know you are infallible.

**Mr. Speaker:** Order. Please refer to members in the House by their riding or their ministry.

**Mr. Bennett:** I ask the minister very clearly, will he tell us what he will do to protect Ontario's interests in this opportunity? That very question about job security in Ontario was placed to us by the minister's leader, who was Leader of the Opposition at the time. Perhaps the minister would like to tell us what he intends to do to secure these jobs in our province.

**Hon. Mr. O'Neil:** It was placed by our Leader of the Opposition to the members opposite when they were the government. They did not do a



heck of a lot about it. They had 42 years to do something about a lot of the jobs that were lost in this province and they did not do a darned thing.

I have not talked with that company since Saturday, but I will make sure I do within the next day. I will tell the member a couple of other things. He is asking what we were doing for jobs in this province. He is asking about jobs being lost.

**Mr. Harris:** No, he is not.

**Mr. Bennett:** We are asking about specific jobs.

Interjections.

**Mr. Speaker:** Order. New question.

#### SHORELINE PROPERTY ASSISTANCE PROGRAM

**Mr. Wildman:** I have a question of the Minister of Municipal Affairs with regard to the shoreline property assistance program. Considering the response of his government today to two major issues in northern Ontario, I wonder whether this minister can explain why he is so insensitive to the needs of northern Ontario.

The emergency assistance program for shoreline property owners adversely affected by the high levels of the Great Lakes this year applies to the whole of the Great Lakes basin and the connecting channels. Why does it not apply to residents who live in northern Ontario communities that are not municipally organized?

**Hon. Mr. Grandmaitre:** Let me assure the honourable member that I am not insensitive to northern, eastern, western or southern Ontario; I am interested in this province. At present, we are reviewing the shoreline program and the member will be hearing from me shortly. We are consulting with municipalities that have been affected and a revised program will be introduced.

**Mr. Wildman:** While I appreciate the minister's response, perhaps he should consult with his colleague the Minister of Natural Resources (Mr. Kerrio), whose ministry is also involved in this program and who wrote to me on November 14, saying, "However, the programs apply only where there are municipalities."

Is this government not aware that large expanses of the shoreline of the Great Lakes are not municipally organized? Will the minister please explain why on earth he is discriminating against the residents of unorganized communities?

**Hon. Mr. Grandmaitre:** That is exactly what I just told the member. We are reviewing the policy, and he is going to hear from me.

**Mr. Hennessy:** My question is for the Minister of Municipal Affairs and perhaps it concerns the Minister of Natural Resources. I would like to know when the ministers are going to reply to my request for assistance for the people in Thunder Bay on Lake Superior. We are in the same situation.

**Hon. Mr. Grandmaitre:** The same answer applies. We are reviewing the total shoreline program and shortly, after consultation has been completed, a new program will be introduced.

#### EXTENDED CARE BEDS

**Mr. Barlow:** I have a question for the Minister of Community and Social Services. I have a news release here dated November 4, announcing some 63 extended care beds in south-central Ontario. Thirty-three of those beds were at Sunnyside Home in Kitchener, 20 were at St. Luke's Place in Cambridge and a further 10 were at St. Joseph's Home in Guelph. Are those 63 beds brand-new, never having been announced at any time prior to November 4?

**Hon. Mr. Sweeney:** An announcement had been made previously that up to 2,500 beds would be allocated by my ministry to homes for the aged scattered throughout the province. The various homes for the aged were contacted to find out what expansion plans they had and what changes from residential beds to extended care beds would be needed because of the changing needs of their populations. Those beds now are being allocated from one end of this province to the other.

**Mr. Barlow:** I was talking to the administrator of St. Luke's Place in Cambridge. He received notification from the ministry, prior to the member for Kitchener-Wilmot (Mr. Sweeney) becoming minister, that they were to get 20 beds. I think that announcement was made some time in April. I believe another event was going on at the time throughout the province. There were 20 beds announced at that time. The administrator is of the opinion that this is a further 20. St. Luke's Place had 29 beds; after April it felt it had 49 beds and now it feels it is up to 69 beds.

**Mr. Speaker:** Do you agree, Minister?

**Mr. Barlow:** Does the minister agree they now are getting funding for 69 beds? They have been receiving funding since August for 49 beds.

3:30 p.m.

**Hon. Mr. Sweeney:** My understanding is that St. Luke's Place got 20 new extended care beds in 1985. I remind the honourable member that one of the difficulties we are facing, which his

former government faced, is that the age of people moving into homes for the aged is now roughly about the mid-80s. Therefore, they need more nursing care, and so it is distributed everywhere.

### FLOODING

**Mr. Hayes:** My question is to the Minister of Natural Resources. I raised this concern in the House on June 6 with the previous Minister of Natural Resources and on July 12 with the present minister. I have spoken to him several times and have corresponded with him about the problem of flooding that the people in Essex county are having at this time. The minister has not seen fit to co-operate with me on this issue.

When is he going to stop pussyfooting around and take action to protect the people in Essex county who are experiencing flooding right now?

**Hon. Mr. Kerrio:** That is a very good question. In deference to my colleague's concern, I do feel strongly about the position of all the shoreline residents there. They are having probably one of the highest high-water years we have had in a good long time, and with storms threatening in the fall we could have very serious trouble.

I have shared with him, and I think it is very meaningful that he understand this circumstance, that with regard to the boundary waters there are a great many responsibilities that belong more properly under the aegis of the federal governments on both sides of the border.

I have not responded in a sense that is satisfactory because the answers are very difficult to come by. There is such a wide variety of speculations: a deepening of the Niagara River, getting more water out of the upper lakes and all those sorts of ideas. It is a situation that is going to require many billions of dollars, and it more properly belongs with the federal jurisdictions.

I am doing everything I can and, of course, the honourable member knows it has been very open; I have been very willing to have a dialogue with him. However, that does not necessarily answer his question. I shall do all I can.

**Mr. Speaker:** The time for oral questions has expired.

### LEADER OF THE OPPOSITION

**Mr. Rae:** On a point of order, Mr. Speaker: I regret we did not have the opportunity at the beginning of question period, as I said at the beginning of my own questions, to welcome the member for St. Andrew-St. Patrick (Mr. Grossman), the leader of the Conservative Party, to his

role as the new Leader of the Opposition. I know the Grossman family are all here and are eagerly watching their father, as I know the Leader of the Opposition watched his own father. It is a historic day for him and for the Grossman family.

We will have many occasions—and it is fair to say the member for St. Andrew-St. Patrick and I have already had a number of occasions—on which to exchange some very tough and harsh words. However, he knows, as I know, that while members of our party disagree with him, we have the greatest respect for his ability, his talent and his political courage.

I am personally delighted that he is sitting in the House as the leader of the Conservative Party. I look forward very much to debates and to exchanges. We look forward to the kind of invective that occasionally elevates.

I happen to think that politics is a noble profession; it is one that has been much demeaned, but I happen to think that without a commitment to public life all of our private lives would be very much poorer. It is in this sense that I wanted to be particularly civil to the Leader of the Opposition today. He knows these occasions do not come very often.

I want to assure him, as I have on many occasions in private, that whatever our public differences may be, I am an admirer of an extremely nonpartisan sense and that we look forward to political life to come. There will be turbulent and interesting times, but nevertheless, I hope, very productive ones in the life of this long parliament, which may go on for many years to come.

**Mr. Runciman:** Wishful thinking.

Interjections.

**Mr. Rae:** I knew that would bring them out a little.

In the life of this long parliament, we simply look forward to the kind of good government, good politics and good legislation that is going require the co-operation of all three parties if we are going to succeed in getting the best possible kind of legislation. I know we are going to have that kind of co-operation and good spirit for at least another five minutes.

**Hon. Mr. Conway:** On behalf of the government, I want to join the leader of the New Democratic Party in extending to our friend and colleague the member for St. Andrew-St. Patrick heartiest best wishes on this, the first day of his new responsibility.

I take some personal interest in these matters because, like the honourable member, I was elected a little more than 10 years ago. I was



sitting here today thinking about the first day the member for St. Andrew-St. Patrick arrived in this assembly to take the position so honourably filled by his father for almost two decades.

I am sure the Leader of the Opposition will allow me to recall very briefly his arrival in that first session of 1975. I know my friend the member for Bellwoods (Mr. McClellan) will recall that very keenly.

The now Leader of the Opposition, the then newly elected member for St. Andrew-St. Patrick, was about where the member for Chatham-Kent (Mr. Bossy) now is located. I can always remember that first session because we had considerable difficulty keeping the member in that far distant corner. He was determined, as his ability, enthusiasm and ambition had every right to so encourage him, to step forward. We were even known to call him "Coach," because he reminded one of Red Kelly or Punch Imlach walking up and down the benches.

I can remember the then Premier, along with the then member for Chatham-Kent and other front-benchers in the government of the day, wondering what this young man was doing down here all the time. It reminded one of that great phrase of Michael Cassidy, "Step aside; I am coming through."

To the great credit of the member for St. Andrew-St. Patrick, his family and his many friends and supporters, he has triumphed. On behalf of the government, I heartily congratulate him for his triumph. Last Saturday, as I sat watching the events at the convention centre, I thought of all the energy, work and good feeling that came with that success, and I thought to myself: "A long journey has surely ended. The member for St. Andrew-St. Patrick is now Leader of the Opposition and of the Conservative Party."

I have always rather liked the member because what you see is what you get. In a business that has a lot of baffle-gab, delicacy and diplomacy, it is sometimes nice to be able to say, "What you see is what you get." I have always found that to be the essential charm of this very bright, able, articulate and, yes, ambitious, member of the Legislature.

I congratulate the member for St. Andrew-St. Patrick. I wish him well as that long journey has ended and tell him that a much longer journey began for him last Saturday night.

3:40 p.m.

**Mr. Speaker:** The Leader of the Opposition may wish to respond.

**Mr. Grossman:** Yes, I may. Might I begin by thanking both the previous speakers, the member for York South (Mr. Rae) and the member for Renfrew North (Mr. Conway), for not lavishing those kind words of praise upon me prior to the vote last Saturday. I feel certain that would have done me in. There were easily 19 people in the hall who would have voted against me had they heard even those mild words of endorsement.

I thank the Minister of Education for his words, although being compared to Red Kelly was not what I had in mind in terms of hockey coaches. My hero as a hockey coach has always been the member for Fort William (Mr. Hennessey). Nor was I flattered by the comparison to Michael Cassidy. I thank the member very much, but no thanks. He is performing admirably in the House of Commons, I am sure, or at least I am told.

I also appreciate the member for York South for calling the proceedings to a momentary halt to welcome me into the House. I appreciate him taking that kindness.

I reflected back to my early days in the House and remembered the chuckle, as only he could chuckle, of the former member for Lakeshore twice removed, Pat Lawlor. He said to me, chuckling in the hall one day, "Grossman, you are going to be heard from." I said, "Patrick, would you tell me how?" He said, "No, and I would not even help you."

I want to take a moment to say that if the member for Renfrew North is correct in saying it is the end of a long journey and the beginning of what he considers will be a longer one, I do not consider the leadership of the Progressive Conservative Party any less worth while now that my party occupies this important side of the House.

It is a great honour, made more particularly so by the difficult competition I met with during the leadership convention just past, both from the member for Cochrane South (Mr. Pope) and the member for Don Mills (Mr. Timbrell). They acquitted themselves more than admirably and gained a great amount of public esteem and admiration, which will not surprise any member of this assembly who has worked with them for a long time. I consider it to be an enormous tribute to have been able to participate in a convention with my two fine colleagues.

It is an honour to lead the Progressive Conservative Party of Ontario at any time. It is a particular honour for me to join the ranks of party leaders in Ontario, given the history and the courage and talent displayed by the other party leaders at this time in this province. I have often

shared conversations with the member for York South about the job of being part of an opposition and leading an opposition. While he will not share many views with me and I will not with him, I have always admired his high standards of participation and the high standards he has tried to force and always tries to force upon the government of the day. They are standards I shall attempt to match. We will approach them from different sides and from different solutions, but he has never backed off from participating in the process and from accepting the fact that progress and change can be made from this side of the House.

It is an honour for me to be serving as Leader of the Opposition, having served as a member of the government. I hope members of the now government will acknowledge that from time to time as minister I did entertain their suggestions and incorporate them in legislation.

The member for Bellwoods was directly responsible for some actions we took in closing a certain nursing home and the former member for Hamilton Centre, Ms. Copps, who is now in the federal House, played a major role in achieving some amendments to the Health Protection and Promotion Act. There are many specific examples of where, in government, I was able to observe instances in which members of the opposition played an important role. That is how we will see it.

It is a particular and special honour for me to be assuming this role at a time when my father is able to share the moment with me. He served for many years in this House. It is a tradition of public service, such as that of the Treasurer of Ontario (Mr. Nixon), which I am very proud to have been able to continue, on whatever side of the House the public should deem appropriate. I have never shied away from the fact, and neither has the Treasurer, of the lessons one has learned from his father. It is the major reason I was able to have some success in leading our party. I will never cease to cite the contributions and the approach my father took for more than 20 years in this House as examples for every member to follow.

I would like to say a word about my predecessor. I did not contribute last Thursday when very kind words were spoken. Happily, the Premier (Mr. Peterson) was able to be present that day. There were many eloquent and fine things said about the contribution made in this House by the member for Muskoka (Mr. F. S. Miller). I want to say he carried out all his responsibilities, and there were many, with

dignity, sensitivity, competence and compassion. He brought a warmth and openness that made him popular as a servant of the public and in this assembly.

I can only say all of us have many lessons to learn from each other and there are many to be learned from the member for Muskoka. I am delighted he has agreed to remain in this House as an active member so that we, and particularly the new Leader of the Opposition, can attempt to copy and learn from those important skills.

I think it is appropriate to say at this time that many people have speculated, particularly in the media, about the relationship between the member for Muskoka and myself. I want to say for the record, the relationship that has been speculated upon is one that results from two members who I like to believe hold particular beliefs, fight for them strongly and fight for what they think is right. On occasion, that means there is an important difference of opinion between two members such as ourselves. That was certainly the case when it came to the member for Muskoka and the member for St. Andrew-St. Patrick.

However, both the member for Muskoka and myself have always viewed that as the particular strength of our party. Intense debate and disagreement on important issues are not only tolerated but also encouraged. I like to believe that over the years we operated successfully in ministries that interfaced with each other regularly. To the extent that I had some success in those ministries, I could not have had it without the co-operation and assistance of the member for Muskoka in his various roles; nor could I have succeeded if the relationship was the one pictured by the media. It was a relationship of strongly-held views, of disagreements from time to time, co-operation almost all of the time and the kind of relationship that could better be emulated by many others in public life in respect to honest disagreement rather than going along with the prevailing point of view.

His further advice and counsel in the months ahead will be very important to me and to the members of my very fine caucus. I have encouraged him to participate and he has agreed.

**3:50 p.m.**

Finally, Mr. Speaker, might I say that with guidance from you and other members of the House, this opposition party will be a fierce one. It will fight hard for what it believes, it will fight hard against what it thinks is wrong, but it will do so keeping in mind that the public interest must prevail above all. We will not divide this House



or the public on issues of note when it is going to be divisive in the long term for public harmony and peace.

We will fight hard to point out the shortcomings of the government. We will fight hard to honour our role, which we take very seriously, as Her Majesty's official opposition. We will be firm, persistent, unbending and tough. We will never swerve from our obligation to fight for the public interest and to make sure the public is being heard when otherwise we believe it may not be heard; but we will always bear in mind the honourable and noble calling that each of us has in this House.

I jealously guard the reputation of members of this assembly. I have by now served with, I would guess, more than 200 of them in 10 years. I have been proud to stand with almost every one of them. We will do our utmost on this side of the House to acquit ourselves with firmness and with toughness and to fight fiercely for what we believe in, but to do so in such a way as to bring credit upon our party, our predecessors and our colleagues on all sides of this House.

I thank members very much for their kindness.

#### MEMBER'S RETURN

**Hon. Mr. Bradley:** I think members of this House indicated clearly through their applause earlier this afternoon when an individual entered how pleased we are to see a person who has played such a significant role in this assembly return from a recent absence because of illness.

All of us are extremely pleased to see the member for York Mills (Miss Stephenson) back in the House. Whether we are on that side or this side, she is a person whom we consider to be a most worthy opponent, a tough opponent, but, we all know, a person with a heart of gold, a kind and compassionate person. We welcome the member for York Mills back to the House.

**Miss Stephenson:** May I simply say that I am honoured to have been so warmly welcomed back to the House after a rather protracted absence which was not of my choosing. I would like to thank the members of this House who communicated with me during that long period of time, providing me with encouragement and support. The members of my own caucus were particularly active in the sending of missives.

I must say that members of the government, particularly the front-row members, perceived their role as encouraging irritants quite appropriately. It was, I think, as a result of some of those letters that I have striven to recover rather more

rapidly than perhaps would otherwise have been possible.

I am delighted to be here on the first full day of my new leader's presence in this House. I am also delighted to be a part of this caucus who will be serving under him.

May I simply say to the members that I may look chastened, I may look quiet and I may look as though the starch is not quite as stiff as it was; but I can tell the members that the steel is still in the spine, so look out.

Thank you very much.

#### PETITIONS

##### CLOSURE OF HOMES FOR DEVELOPMENTALLY HANDICAPPED

**Mr. R. F. Johnston:** I have 17,778 petitions passed to me by the Ontario Public Service Employees Union. They have not been made out to the Lieutenant Governor, and I therefore think they should be passed on to the Minister of Community and Social Services (Mr. Sweeney), if they might be, by the table. They are from some 17,000 people who oppose the closing of the six developmentally handicapped centres in the various communities around Ontario.

**Hon. Mr. Sweeney:** Mr. Speaker, I would like to draw to your attention that the petitions I have received are addressed to the Honourable William Davis.

**Mr. Jackson:** I might submit that they anticipated the change from this side of the House to that side of the House by the member for Scarborough East (Mr. Fulton).

**Mr. R. F. Johnston:** On a point of privilege, Mr. Speaker: If I might correct my record in terms of not having said that, I just presumed that because the policy seems to be the same by both the past government and this government, they are still appropriate today, sir.

**Mr. Speaker:** It sounds like a point of personal explanation.

#### TEACHERS' PENSIONS

**Mr. Jackson:** Mr. Speaker, I have a petition signed by members of the executive of District 15 of the Superannuated Teachers of Ontario concerning Bill 148, an Act to revise the Teachers' Superannuation Act, 1983.

#### ROMAN CATHOLIC SECONDARY SCHOOLS

**Mr. Jackson:** I have three petitions signed by students and staff of the Halton Roman Catholic Separate School Board, the members of the East

Plains United Church, and the School Sisters of Notre Dame, concerning Bill 30, An Act to amend the Education Act.

### INTRODUCTION OF BILLS

#### WELLINGTON COUNTY BOARD OF EDUCATION AND TEACHERS DISPUTE SETTLEMENT ACT

Hon. Mr. Conway moved, seconded by Hon. Mr. Nixon, first reading of Bill 63, An Act respecting the Wellington County Board of Education and Teachers Dispute.

Motion agreed to.

**Hon. Mr. Conway:** I have nothing further to add to my statement at the opening of the House this afternoon, except to say it is my understanding from speaking to the government House leader that we will be proceeding with the second reading of this bill tomorrow and it will be so ordered on Orders and Notices.

#### DOG OWNERS' LIABILITY AMENDMENT ACT

Mr. Wildman moved, seconded by Ms. Gigantes, first reading of Bill 64, An Act to amend the Dog Owners' Liability Act.

Motion agreed to.

**Mr. Wildman:** Under the Dog Owners' Liability Act, the dog owner is liable for damages resulting from a bite or attack by the owner's dog on another person. This bill extends that liability to a bite or an attack on another animal if that animal is under a person's control. It exempts those cases where liability already is provided for under the Dog Licensing and Live Stock and Poultry Protection Act.

I might add that this is prompted by an attack by one dog on a seeing-eye dog owned by a blind constituent.

#### ANSWER TO QUESTION IN ORDERS AND NOTICES

**Hon. Mr. Nixon:** I wish to table the answer to question 11 in Orders and Notices [see Hansard for Friday, November 29].

4 p.m.

#### ORDERS OF THE DAY

House in committee of supply.

#### ESTIMATES, MINISTRY OF REVENUE (continued)

**Mr. Chairman:** Was the Treasurer and Minister of Revenue (Mr. Nixon) in the midst of his reply?

**Hon. Mr. Nixon:** I have fairly well completed my response. If not, I would be glad to respond to specific questions referring to these matters.

**Mr. Chairman:** We have two hours and 11 minutes left. Is it the wish of the House that we deal with everything under the first vote and first item in a wide-ranging discussion, and then carry the votes and items at the end, or is there any idea that we would like an allocation of time? Do any members wish to speak on any particular items?

Do you want it wide-ranging and then carry all the votes and items at the end?

**Hon. Mr. Nixon:** I will do whatever you wish to do, but I do not see why we cannot deal with the items as they are listed in the estimates book. I am in your hands, Mr. Chairman, for the next two hours and 10 minutes. Whatever you say is in order certainly is.

**Mr. Chairman:** Either is in order. It is entirely in the hands of the House as to how we will proceed.

**Mr. Lupusella:** Based on my own experience, some members will likely raise some issues on votes which have already been passed. The House should be flexible. If any member of this Legislature would like to raise a particular concern on an item on which the vote has been passed by the House, he should be given the opportunity to raise it anyway.

**Mr. Chairman:** I take it then that the member for Dovercourt and the member for Etobicoke (Mr. Philip) are saying we should carry on under vote 901, item 1, and then carry all the items at the end? Are there any honourable members who wish to speak?

**Mr. Dean:** I do not have any objection to doing it that way as long as we do not spend so much time on some items that we do not get time to deal with the others at the end. One or two members of our caucus wish to make some comments on the assessment program, for example. I would like to make sure we do not squeeze them out by taking too much time on the earlier ones.

**Mr. Chairman:** Under the system we are using, a wide-ranging procedure, they can come in and speak to those at any time. In other words, we are not going to carry votes and items and close off discussion.

**Hon. Mr. Nixon:** On a point of order: I would be interested to know how you can decide that is the procedure we are going to use when the same opinion is expressed by two spokesmen for one party?



**Mr. Chairman:** May I point out to the Treasurer that standing order 48 states:

"(b) The chairman of a committee considering estimates shall apportion the time available among the minister, opposition critics and other members.

"(c) Latitude shall be permitted to opposition critics on the first item of the first vote...and thereafter members shall adhere strictly to the vote and item under consideration."

The problem when it is in committee of the whole House as compared to a standing committee is that if we carry them one by one or if some type of time allocation takes part, some members, as the member for Wentworth (Mr. Dean) has said, will not be here, their items will be carried and they will be foreclosed. We will have passed their item and they will be foreclosed from going back to it. I am in the hands of the committee. It is entirely as the committee of the whole House wishes to carry.

**Mr. Philip:** Both the Conservatives and New Democrats have indicated they would rather deal with the first vote in a wide general sense in that we have some fairly specific questions on, for example, as the member for Wentworth mentioned, the recently tabled Goyette report. We should carry on. You have the expression of two political parties of what we wish to do.

**Mr. Chairman:** Yes. Unless there is unanimous consent, we should go with standing order 48(b) whereby there is an allocation. I look to the Treasurer. Do we have unanimous consent to carry on?

**Hon. Mr. Nixon:** I am in your hands. In that connection, to assist me in responding to questions, Terry Russell, the deputy minister, and Jack Lettner, assistant deputy minister, property assessment program, are at the table and will be providing the information.

**Mr. Chairman:** We shall carry on then. It is agreed we shall carry all votes and items at the end.

**Mr. Philip:** On November 4, I raised a number of issues during the budget debate concerning the inequities in the property taxation of condominiums. The minister might like to review the issues I raised, which can be read in Hansard number 38, pages 1353 to 1356. Interestingly, a number of my concerns regarding property taxes, indeed a number of the proposals I made at that time, which echoed proposals I had been making over a number of years, were addressed only a week later when, lo

and behold, the Goyette commission paper, Taxing Matters, was tabled.

With all due modesty I was somewhat prophetic. The Treasurer recognized that when he came over after my remarks during the budget and said that some of the proposals I had made were rather interesting. No doubt he realized that they echoed and reflected what he was going to table only a week later.

I have a number of questions directly related to that. Has the minister examined the extensive research I tabled on November 4? Does he agree that there are major inequities in the taxation and assessment in one area, namely, Etobicoke, in one part of one area in the city of Etobicoke that we studied, as compared to another area? Is he prepared to do anything about the present inequities or is he prepared simply to have an ongoing study of the Goyette report?

I found the information on page 55 of the report very interesting. I am sure the minister will agree with me that it says something about the way the officials of this ministry acted under the previous administration. Under the previous government, a researcher asked for the very same information in November 1984 and was told the information was not available and would be too difficult to obtain. I find it interesting that the information could be produced for Mr. Goyette but not for a member of the provincial parliament. I hope that under this administration that kind of thing does not recur.

I am somewhat encouraged that it will not recur by the very fact that the minister has tabled certain documents the previous minister would not release. I want to direct some questions to those documents in a minute. I do not want to get away from the Goyette report, however; I want to deal with some of the recommendations.

Recommendation 15(a) on page 164 is rather interesting. It shows to me a complete lack of knowledge by this ministry of the dynamics and workings of condominiums. It is difficult, if not impossible at times, for a condominium board of directors to get enough proxies even to deal with the requirements under the Condominium Act for running a general meeting. There have been recommendations by the Etobicoke Condominium Association and numerous others to change the Condominium Act because of that very problem, so a board of directors can carry on. Yet here we have that same lack of understanding reflected in this recommendation.

In a condominium building, such as some of the larger ones on Dixon Road immediately south of my riding, where a certain number of units can

be owned in Hong Kong, Japan, the United States or in a number of other countries or by absentee owners living anywhere in Canada, a tremendous strain is put on that condominium.

It seems only reasonable therefore that a board of directors going through the normal procedures it would follow under the regular activities covered by the Condominium Act should be able to represent all the unit owners before an assessment review court. I suggest to the minister that recommendation 15(a) on page 164 should be reconsidered and I hope it will be.

**4:10 p.m.**

Recommendation 19 on page 166 is certainly a very welcome recommendation. It is one I addressed in some detail, examining the Mississauga court case and the various interpretations that could be made of that court case. It is fairly clear that the ministry and Mr. Goyette have recognized that problem. If that had not been corrected, we would have seen an increasing disparity between condominiums and other homes.

Recommendation 20 is less acceptable. It fails to deal with the basic problem that condominium owners are assessed more heavily, as I proved with the research I tabled, which was done in two cities. Part of the research was done in a third city, Ottawa, where we did not have a complete set of research. However, I proved without any doubt that in the city of Etobicoke and the city of Toronto condominiums were more heavily taxed and assessed than homes.

Unless we make a direct comparison, we are going to perpetuate that inequity. To include other condominiums as part of the total Gestalt simply corrects part of the problem. It is correcting it and dividing it by two; it is that sort of thing. It is less severe, but none the less still perpetuates an inequity. The minister must address himself to that problem.

I find recommendation 52(e) on page 179 of the Goyette report interesting. No doubt the minister has addressed himself to this. Is the present Metro Toronto Advisory Task Force on Assessment Reform to be assumed by the new task force and what is the relationship in this proposal in the Goyette report? It is an interesting proposal, but I would like to know whether we are going to have two bodies looking at the same thing. What is the overlap?

I find recommendations 36 to 41 on page 172 very interesting. The minister will no doubt recall I introduced on numerous occasions a private member's bill that dealt specifically with that problem. In my riding I have a number of

people who are in the building trades who, during off periods, manage to improve their homes. That is to be encouraged. However, as a result of these improvements, suddenly the assessor is knocking on their door and charging them extra tax.

I have argued over the years, and the previous government refused to recognize the argument, that when you improve your own home, and when you are living in the home, you should not have increased taxes while you are still occupying the premises. My private member's bill set a figure of \$10,000. I thought that was realistic at the time.

We may have agreements or disagreements over the specifics of the amounts or how it is done, but I am pleased the government and Mr. Goyette and his colleagues have recognized that we should encourage people to improve their own homes and that, because they improve their homes, it does not mean they have more money in the bank or more income. They should not be penalized for showing this kind of initiative.

Another matter addressed by the Goyette report is one I have spoken about over the past 10 years with both federal and provincial authorities. I spoke to the previous Minister of Transportation and Communications to some extent and urged him to deal with the problem. I have also talked with Ministers of Revenue to deal with the revenue side of it.

Lester B. Pearson International Airport is a tremendous asset to our community. It provides jobs and a great amount of wealth in our community. At the same time, those who live close to the airport have to put up with certain environmental problems, in particular, the noise level. The noise in some areas of Rexdale that I represent is worse than in others. The people who are under the east-west runway route are more affected than I am, since I happen to live more under the north-south runway route.

Certain residents in Rexdale live directly under the flight path and do not have the same enjoyment of their homes, particularly of their backyards, as do other home owners in the Metro area. Over the years, home owners such as those living on Norfield Crescent have argued before the assessment court that their assessments should be lowered, and they were justified, I believe, in arguing that on the grounds of the noise they were putting up with as a result of the airport.

I therefore welcome recommendation 22 on page 167. It is long overdue. I am particularly pleased to see it in there and I hope it will help us



to deal with the problem we are having in the Rexdale area and perhaps an even worse problem for my colleagues who represent the two ridings south of me, where the people in the Dixon Road area are very directly affected by the noise.

The question I have for the minister is related to item (c) of recommendation 22. No one can disagree with the recommendation that if there is an environmental problem, not only should the assessment be lowered but the government should do something about it. Of course, the problem with airport noise is that the federal government has the chief responsibility.

If for any reason the provincial government cannot work directly with an insensitive federal government to deal in some way with the noise levels—and I am not going to repeat proposals I have made in Transportation and Communications estimates on that—then at least in those kinds of environmental situations the government should say: “We have tried our best; we have presented our views to the federal authorities. None the less, because you are putting up with this noise, noise is an environmental problem and we will consider it under items (a) and (b) for a reassessment or for the lowering of taxes.”

I want to compliment the minister on releasing what the previous minister refused to release, namely, the impact study of reassessment in the city of Etobicoke—which in this paper was called the borough of Etobicoke at that time—based on the section 86 program, the equalized assessment of 1980 values. One of the things I found interesting in studying it was that it mirrors some research I have been doing, which I hope to have ready for the debate on the budget and for these estimates, but which is not quite ready.

It is my contention that it is not just condominium owners who are paying an unfair tax, as I showed in comparing those condominiums in the ward 5 area with those in the more affluent Kingsway area. When we get into single-family homes, the studies that were released by this minister show the same pattern is holding.

I had a fellow run against me for a party that is considerably to the left of me. He had a slogan he repeated over and over. He did not tell how he would bring it about, but it was, “Let the rich pay.”

**Hon. Mr. Nixon:** Very catchy.

**Mr. Philip:** It may be a catchy slogan, and we have not used it, but it would certainly be something he would relate to this.

If we look at the study on the city of Etobicoke, we find that if this were immediately dealt with,

there would be a decrease in ward 5 of some 74 per cent whereas, lo and behold, the percentage of units decreased in wards 2 and 3, which is the Kingsway area, would be only 29 per cent and 39 per cent respectively.

**4:20 p.m.**

Similarly, the inverse is true. The percentage of units that would increase in ward 5, or in Rexdale, is 26 per cent, compared to those in wards 2 and 3, which are 71 per cent and 61 per cent respectively. One could take ward 1, which is the Lakeshore area, and get similar comparisons, although not quite as dramatic as the unfairness with which my constituents are taxed.

If we take the Metro-wide reassessment, the same pattern holds except it is even more dramatic. In ward 5, the percentage of units that would receive a decrease is 88 per cent, compared with wards 2 and 3, which are 48 per cent and 56 per cent.

I suggest this proves my contention that those in the perhaps more traditional areas, those that have been built a longer time ago, are getting a somewhat freer ride than my poor, hardworking souls in the north end who have gone out and built new homes and who are paying through the teeth in property taxes.

I hope the minister will address himself to those inequities. Needless to say, the Condominium Magazine is watching carefully for the minister's response to this and will print his responses in the December issue. Both my congratulations and admonitions of some of the problems. The Etobicoke Guardian will similarly print his responses.

I would like to deal with another area, the Province of Ontario Savings Office, because the minister addressed it briefly on Friday and I do not think he came to grips with the issue.

When his party, or his and our party, the farmers' party, went out of office, when they had set up the original Ontario savings offices, they had the function not just of encouraging thrift—I do not have the historical documents, but it sounded very noble and important—but also of giving loans. Their purpose was to give loans to farmers who needed equity and who needed money to expand their operations or purchase farms.

If we look at Alberta, they similarly had the same objectives although they go into mortgages and small business loans as well. I had introduced a private member's bill that would expand that authority of the Ontario savings office. The previous Minister of Revenue did not seem too concerned about it, and I am hoping this

minister, having a rural background, having a sense of history of the farmers' party and what it attempted to do, having the same sense of outrage at what the Conservatives did when they got into power, which was to remove the authority of the Ontario savings offices to give loans, will start to reverse history and will make a mark for himself in rural Ontario by showing that sense of history and restoring the original act. That would be to his credit and to the credit of his father, who no doubt tried to convince old Mitch Hepburn to go against the banks and try to make the necessary changes.

The Alberta Treasury Branches—I am referring to the Financial Post issue of the top 100 financial institutions and their rank—ranks 22 among financial institutions in this country, with \$3,422,157,000 in assets. The Province of Ontario Savings Office is down in 59th place, with only \$686,408,000 in assets. The revenues are similarly disproportionate.

If we look at the financial statements for the year ending March 31, 1985, the Alberta Treasury Branches has a loan portfolio of more than \$3,393,000,000. So there is that money out there for small business, for farmers and indeed for mortgages, as I suggested. The minister would do well to turn back history in this case to 1919 and make full use of the Ontario savings offices. I would also suggest they should be expanded into northern Ontario. There is not one in all of northern Ontario. That is legitimate and that is what we should be doing.

I want to talk for a minute on one last item. I have spoken at some length on the inequity between communities and neighbourhoods in tax collection. The corollary to this is the inequity in neighbourhoods in the way in which the Treasury manages to give out some funds.

In our neighbourhood, there is an organization called Friends and Advocates. I saw John MacBeth in the gallery only a few minutes ago; he is active in it. Friends and Advocates in Etobicoke has been allocated Ministry of Health support funds of \$90,772 by this Treasurer. On the other hand, Friends and Advocates in North York, which we started as a pilot spinoff from ours, has a revenue of \$110,000.

We have proposed that there be three community workers and a budget of \$119,285. We now have a waiting list of 34 people and a very high staff/client ratio. I suggest our area is as deserving of revenue funds as North York, of which I also represent a corner. I hope those kinds of inequities can be cleared up. Friends and Advocates serves an important function.

Mr. Chairman, I know you have tremendous patience and would have pointed out that this comes up under a different ministry than the Ministry of Revenue. However, I could not lose an opportunity, with the Treasurer listening, to take at least two minutes to present this problem, as my colleague John MacBeth would have wanted me to do. I look forward to hearing the minister's answer.

**Hon. Mr. Nixon:** I will not comment on Friends and Advocates, but I know somebody will look up that organization and the honourable member's recommendations and advise me further.

I appreciate the specific references made to the Goyette report in the member's comments this afternoon. That is specifically what we are seeking. Particularly the comments by page and recommendation will provide the kind of assistance we want.

The assessment of condominiums is a bit of a conundrum.

**Mr. Ashe:** Ha, ha.

**Hon. Mr. Nixon:** It is the best I could do.

The member will know that when condominiums were assessed based on comparison only with other condominiums, this matter was taken to court and the learned judge ruled that they had to be compared with other single-family units and dwellings, which seemed to make sense to the judge and our assessors accepted it. At present, they are compared both with single-family dwellings and with other condominiums. We feel that is quite a fair way to proceed. I believe the Goyette report recommends that this continue.

There is some indication of a feeling among condominium owners that if their units were not compared with other condominiums, their assessment might go down. I am not sure that is the case. It seems to make obvious good sense, however, that condominiums should be compared with similar units and other single-family units. It seems to me that approach should be maintained, although we are prepared to listen to submissions otherwise.

**4:30 p.m.**

I have a feeling, whatever is decided, there will be a court case because somebody on one side or the other of that issue will feel it has been unfairly entered into. However, we have a recommendation from Mr. Goyette and, as far as I can see from my personal response, it makes good sense. Unless I have good reason otherwise, that would be the one I would support.



**Mr. Philip:** May I ask the minister a brief question? If he were earning \$50,000 and I were earning \$30,000 and we were doing the same job, would he consider it fair to me if we simply added \$30,000 and \$50,000, divided by two and he gave me \$40,000? Would that not mean I was still out \$10,000? Is that not the analogy? As long as condominiums are part of the same factor, he is still going to perpetuate an inequity, even though it may be an inequity halved or lessened, rather than simply comparing them directly with other family dwellings.

**Hon. Mr. Nixon:** I have never had any experience in assessment. I guess I have just been unlucky. It seems to me that a well-trained assessor is not going to compare condominium A, which is one of 100 units on south Dixon Road, with a penthouse condominium at another location. As far as I know, the assessors compare property to property with a similar sale value.

I cannot respond to the detail of the thing. Believe me, all I can say to the member is that his objection to involving other condominiums—being an old Latin scholar, I always have trouble with that plural—his objection to comparing condominiums with similar condominiums does not make much sense, if he thinks they should be compared only with single-family residences other than condominiums.

I cannot add very much to that. This can be argued either way. The only purpose in opening it up is so fairness and equity prevail and are seen to prevail in some of the divisions of opinion. Whichever way we come down, the other side is going to feel it has been treated unfairly and inequitably. I hope we are not simply opening up another series of problems that have to be dealt with by Assessment Review Board or the Divisional Court.

The member has made his point. I would like to go on, but if he wishes to pursue it further, I have no objection.

**Mr. Philip:** If the minister wants to make A equal to B—and he used to be an old high school teacher, or a young high school teacher, as the case may be—surely it makes some sense to say one does not make A equal to B by adding A to B and dividing by two, because A will still less equal than B that way.

**Hon. Mr. Nixon:** It seems to me the whole purpose of assessment is to compare relatively equal units. If that is not the purpose, then it should be and we will change it so it is. I would like to go to the second point.

**Mr. Chairman:** Will you, please, because there are other members wishing to participate.

**Hon. Mr. Nixon:** The member mentioned something that is going to be of particular interest and I hope not an insurmountable difficulty. He talked about task forces and asked whether the task force that is already in existence in Metropolitan Toronto is going to be a duplication of the effort and work of the one proposed by Mr. Goyette. I do not believe that is so.

In our informal discussions we got agreement from the municipal heads in all the cities of the metropolitan area that they would like to participate—they undertook to participate—in a task force on assessment for the whole metropolitan area. It would be my responsibility to recommend a chairman for that group, someone who would be acceptable to all the principals. I do not think that is going to be too difficult, although I am not in a position to announce such a person at this time.

As a matter of fact, I would not mind a recommendation from anybody who has a brilliant idea, with the understanding that we have to be sure the person who is going to lead the discussion has sufficient acceptable abilities and reputation. That person would not be able to impose his or her views but would co-ordinate everybody in a good, co-operative way so that it would not descend into a morass of investigation of minutiae but would come up with a program acceptable to all the cities in the metropolitan area, which would permit market value or some acceptable reassessment to occur, beginning as early as next September 1. That would be great.

I am not sure whether that is possible, but that is the aim; that is the goal set out in Mr. Goyette's recommendation. Whether it overlaps would not be for me to determine, because this task force—maybe we could give it another name; rather than a Metropolitan Toronto reassessment task force, maybe there is something else we could call it—would simply be an effort to assist all the cities in the metropolitan area to co-operate with the officials in the Ministry of Revenue to come up with a good procedure to move forward. I sincerely hope we can do that and, if possible, that there will be an announcement in this regard before the end of the year.

The honourable member referred to recommendation 15(a) on page 164, which he feels would make it difficult for a condominium corporation actually to proceed with an appeal of an assessment since, according to him, the recommendation would require the written consent of each condominium owner. There has been some discussion further to that because we would not want to impede the condominium

corporation from dealing in a fair and equitable way, once again, with all the members in the corporation.

However, it seems to me the owner of a condominium, even though he participates in the work of the corporation, might think differently. He might not agree with the stated aim of the corporation and, according to this recommendation, he would have to be consulted and give his approval before his assessment was appealed.

Once again we are quite prepared to listen to arguments or views otherwise, but in my view, the safeguarding of the individual liberties of the owner of this single-family unit, which happens to be a condominium, is something we should not dismiss lightly.

In regard to improvements, he mentions recommendation 36. I was particularly pleased with that because during a discussion I allowed myself to get involved in with the press before the report was even well under way, I said I had hoped we would be able to make a list of improvements that people could undertake without endangering their assessment. Such a list does appear here, and I feel it goes quite a distance.

As a matter of fact, a few things are included that surprise me. For example, it would be possible to install not only a new heating system but also one that involved a heat pump—that is, air-conditioning—without its being considered per se to trigger reassessment, the idea being that we are talking about temperature control that is modern, and that would be included. I thought the idea was convincing, progressive and acceptable.

The member also put forward the idea, with which we all agree, that we should encourage people to improve their properties in every way they can without automatically increasing their assessment and then their taxes. The idea of setting a limit beyond which reassessment is triggered is quite healthy. The idea that the local municipalities would set that limit themselves is the kind of autonomy that I personally think is valuable and quite ingenious. Some municipalities are particularly interested in revenue, and if somebody does something to his or her house, he wants it to be reflected in the assessment and he would have a fairly low triggering level. Others have a different approach; they would have a fairly high one. It is the sort of thing that I think is interesting, at least for discussion, and I hope it will proceed.

4:40 p.m.

Another point the member made had to do with reassessment of the homes affected by the flight paths and the noise patterns from Lester B. Pearson International Airport. The member knows we have a process, which was introduced by my new critic—I believe he was the one who did it—that allowed assessment to be reduced for homes with urea formaldehyde foam insulation. The Assessment Review Board also reduced assessments in the Malvern area and in certain other areas.

I happen to have nine high-voltage hydro towers on my farm, and there has never been any thought that the assessment would be reduced there. The argument made by Ontario Hydro and by the assessors in this connection is that it cannot be proved that the value of the property has been reduced. As a land owner myself, I find that difficult to believe, and yet they have the statistics to show it. If I were out buying a farm and if I had my own choice to make, I would prefer to buy a farm unencumbered with high-voltage hydro towers. We all accept they have to go somewhere, but if one were buying a farm, it seems to me one would offer less money for one having those towers. As far as I know, the assessment has not been reduced because of that.

The argument, however, is that if we go for market value assessment—I am a very late convert to that concept and I am not sure I am fully committed to it yet—and the market value can be shown to have been depressed by anything such as that, by an environmental effect of any kind, it should be reflected in the assessment.

Recommendation 22(a) goes much further than that and it recommends there be specific reduced assessments in those areas where there is some sort of environmental impact. In my view, it is more than fair. I agree with the honourable member who spoke that it is a valuable recommendation, one I hope will be included in the changes we make.

The only other matter the member raised in his remarks had to do with the Province of Ontario Savings Office. I can say nothing more than that I welcome his views. The traditions I carry in this connection—I suppose, prejudices—go back a long time to the political career of my father who was a member of the government that established the savings office with loan capabilities. I find that concept attractive.

I am not saying that, as the minister responsible, I am going to go forward with a commitment to turn it into some sort of small bank. Its original concept was to make loans to farmers and encourage thrift among artisan classes; a rather



nice phrase. We are not really returning to that specifically. However, the idea of the savings office appeals to me and I hope before long at least to be able to announce certain improvements in the services the savings office offers citizens.

**Mr. Ashe:** I will be brief because of the time constraint. My colleague who has had the responsibility for being critic of the Ministry of Revenue until today will be carrying on with the bulk of the concerns up to and including the end of these estimates. He has been more a party to them than I have. I will contain my remarks and will ask one or two questions about the assessment function.

I would like to compliment the minister on his release of the Metro Toronto impact study soon after assuming his onerous double job. There were many who felt it should have been released a long time ago. I am glad it finally took place.

**Mr. Grande:** The member included, no doubt.

**Hon. Mr. Nixon:** I would like to pursue that in further detail.

**Mr. Lupusella:** Is the member including himself as well?

**Mr. Ashe:** Yes.

In any event, it is out there. I am not sure that at this late date it will add to the end result, but in full sincerity I hope it does. As we all know, 74 per cent of the municipalities in the province now have undertaken the first, the second and are even approaching the third reassessment in their municipalities. With few exceptions, they have done it without great difficulties. At this point, I hope the constituent municipalities in Metropolitan Toronto will see that the same end result will be to the betterment of all, and will be fairer and more equitable to all.

Of the two questions I have, one relates to the Goyette report. There are many issues that will dictate and indicate considerable dialogue over the next while, but there is one in particular that I want to get the minister's views on. I do not have the document in front of me and do not have the page and point number, but I am sure he is familiar with it.

It is the recommendation that I suppose goes along with the innocent-until-proved-guilty concept, but I am not sure it is applicable here. It is the one that suggests that as long as there is an assessment appeal, the new indicated tax rate should not be charged or collected, but would accrue as an ultimate liability if and when it is confirmed. My view on that, and needless to say

I am going to ask the minister what his feeling is initially, is that anything that may unduly increase the number of appeals in the assessment process will not be a plus. Anything that would encourage people—once they become aware of this recommendation, if it comes to fulfilment—to continue to appeal to postpone the inevitable, is not helpful to the process.

Over the years, assessment appeals have fallen a little behind. They get caught up from time to time with extra impetus by the Ministry of the Attorney General and then they have a tendency to slip behind again as the numbers go up, particularly after a reassessment in a significant-sized municipality. If and when it happens in Metropolitan Toronto, for example, regardless of how fair it may appear to us all, the number of appeals will be significant.

That recommendation is going to increase significantly the number of appeals by those people who may more astutely become aware of the way to avoid the inevitable; that is, not pay increased taxes. That would add to the work load of the Assessment Review Board, among others. Some will drag out the total appeal process in whatever way is possible and feasible till the very last dog is hung, with the idea of postponing the payment of taxes.

In many cases, those will be people who may fully acknowledge that they do not have a case but want to prolong the inevitable. I am not quite sure that will be helpful to those who are in a legitimate appeal process because they differ for whatever reason on their assessment.

I would like to know the minister's feeling on that, having heard the pros and cons over the years. I understand the appeal process is not in the purview of the Ministry of Revenue, albeit any time there is an appeal it puts that much more charge on the local assessor to ensure he is up to date on his assessment figures before he goes to the Assessment Review Board or beyond.

Not only does it put further pressure on the assessor per se, but it would put more pressure, in my view, on the appeal process in general. I do not think this would be helpful to anyone, including the municipality, which in many cases will not get its legitimate increase in tax revenue until some years in the future.

I appreciate that there is still talk about interest and so on, but I can assure the minister that during the process he will get many recommendations that say: "You do not have to pay interest. Just let it go. You are innocent until proved guilty." I am not quite sure it is the same principle as somebody being charged with a crime.

The other question I would like the minister to respond to is: What is his understanding of the awareness of the local assessor and how he becomes aware of unique circumstances within a municipality or part of a municipality where he has jurisdiction?

For example, in an area such as is contained within my constituency and also to the north in the riding of Durham-York, there is a lot of unique land under the ownership and-or control of government, either federal or provincial. Restrictions have been placed on some of the adjoining land through the impetus of the Ministry of Housing over the years, in turn through the municipality and in turn through the region which has control over the official plan.

What is the minister's understanding of the process of the recognition of unique circumstances within a municipality? The one I have in mind—and I will be taking this up more specifically with the local assessment commissioner—is some space within the town of Pickering that has been designated as open space but is not indicated as such on some of the plans that are available within the local municipality. I know the minister is aware of this kind of problem, even from his own constituency.

**4:50 p.m.**

If somebody wanted to get a severance through a land division committee, he would find out the open-space restrictions. Yet, it would appear that the assessor was not aware—it is not completely his fault—of the unique situation and restrictions on the development of that land, or possible development of that land, or inability to develop or sever that land, which would have a direct impact on the market value and, in turn, on the percentage of the market value that generates the assessment and, in turn, on the tax bill.

I would like to hear the minister's understanding of that process and his views on the ultimate postponement, the tax implications of a changed assessment being postponed until after the full appeal process.

**Hon. Mr. Nixon:** Mr. Chairman, you will remember the Honourable Perrin Beatty took a rather popular initiative at the federal level when he was critical of the procedures, in particular in income tax, before the present government took office in Ottawa. One of the recommendations he made, which was very well received, was that people had to be proved guilty before they made their payments on an assessment of their income tax. I may not have the details of that right, but it seemed to be eminently fair.

I feel the same way about assessment. If there is an increase in assessment and the property owner chooses to appeal it, he or she does not pay taxes on the increased assessment until it is verified by the appeal procedure. This means that money then is paid back to the time of the assessment and interest is paid on funds not already paid. In other words, the interest meter is ticking and it seems to me any rational taxpayer would realize that he or she might lose the case, in which case the money is all payable with interest at a reasonable rate which is even referred to in the report.

It is possible, however, that some people might approach this in a frivolous way, just as frivolous appeals to the Ontario Municipal Board are, at times, punished by the board. It may well be that there should be a provision for the assessment appeal people to find that appeals are of a frivolous nature. It is possible that safeguards could be built in to some extent for the problem that the member is bringing to our attention in his remarks.

I like the original recommendation very much. It is a step forward. I think it is fair and that people will see it is fair. I do not want to allow myself to drift away from the original point, but somehow over the last decade, perhaps a bit longer, confidence in the assessment process and the whole basis of local taxation has been substantially eroded.

One cannot just saunter down to the local town office and talk to the assessor about the situation quite as conveniently as one used to and, in large urban areas in particular, there is a sort of brushfire of dissatisfaction that goes through communities and people with different experiences. The assumption is made that the assessors are incompetent or, worse than that, there is some sort of plot on the part of the Minister of Revenue—and we all know how innocent those ministers happen to be—

**Mr. Ashe:** They do not get any revenue.

**Hon. Mr. Nixon:** Right—to do something nasty to them, when, as the member knows, all we want to do is keep out of trouble. This at least is a recommendation that shows the bona fides of the people interested in reform to bring it up to date and to accept the basic consideration that an assessment has to be proved before it is applied, if there is an appeal.

The matter of unique properties is a concern. As the honourable member knows, as do members on all sides, with properties where there are substantial planning restrictions which affect the assessment, if it is based on its resale



value, certain planning restrictions or the proximity of government lands with restrictions often affect the assessment. I think it is the responsibility of the assessors to take those under consideration.

The assessors carry out a study of the sales in the area and a study of rentals, and the values at which those fluctuate in the area. They look at neighbouring assessments and meet with municipal officials. It should be that all these factors will be taken into account by the people we hire, who have professional abilities and are professionally supervised. In cases where there is evidence that this is not occurring, we would be very willing and anxious to give it a special review, as the member would know.

**Mr. Ashe:** I will not get into the second point since, as I indicated, I will be specifically contacting the local assessment commissioner in that area. On the first point—not putting through any tax increases until the appeal, and his comparison with federal income tax—may I point out to the minister I do not think they are really comparable.

In the first instance, when one is talking about income tax, a taxpayer files a return of his income as he and/or his accountant sees it and then somebody else disputes it. The minister is presuming he is honestly filing his return based on his knowledge and understanding of his situation. On the other side of the coin, with assessment, the professional, the assessor, is making the first instance of saying what the value is and then somebody else is challenging whether he or she has made a correct determination. I suggest they are not comparable.

I accept what the minister has said; if in some way that goes forward—again, I have some large suspicions about it and what it might do to the numbers of appeals, which will not help the legitimate appellant—and there are some safeguards in it which make it somewhat of a penalty to go forward, much more severe than nominal interests, that is one of the safeguards.

We hope this would be another safeguard for the protection of property that turns over. We have all heard in many ways or another: “Buyer beware. The lawyer takes care of everything.” However, we all know in the real world that does not quite happen. One may have property transactions taking place where legitimate increases are going to occur which are not brought to the attention of the new owner by the solicitor, directly or indirectly, and he picks up a retroactive liability for taxes before he takes over.

We can all agree theoretically that should not happen. I want to make sure the minister understands those things can occur unless there are some great safeguards which literally would have to go on title. The only way one can do that is to add to the degree and complexity of the appeal process and further slow it down.

**Hon. Mr. Nixon:** The member makes a good point and an interesting one we will consider. He probably is aware, though I am not sure all members are, that this year there were 160,000 assessment appeals. That is a lot of stuff to get through, and we do not want to do anything which is going to increase that, but just the contrary.

**Mr. Chairman:** In explanation to the member for Oakwood (Mr. Grande), it was suggested by the member for Dovercourt (Mr. Lupusella) that since two New Democratic Party members had spoken, in fairness, two Progressive Conservative members would follow next and then to you.

**Mr. Grande:** The member for Dovercourt has said so; so it shall be.

5 p.m.

**Mr. Stevenson:** I want to bring to the attention of the minister some concerns in the Durham-York riding which relate to assessment. I am sure some of these are present across the province. I want to address them specifically to the situation which occurred in the past year in Brock township. There was a reassessment there in which there were significant changes in the values of a number of properties, not exclusively in any one particular classification but in residential and rural residential properties and in farm properties.

There were a number of public meetings. The usual meetings were held by ministry staff and so on, but out of these a lot of public concern still went unanswered. A particular group of people there that was fairly well organized continued to press the issue through appeals and then on after the appeals. I am afraid the frustration of the people still has not been addressed. I think it largely comes down to the inconsistencies that have been shown in the assessment procedure in that area. As some of these inconsistencies become more apparent, they lead to further dissatisfaction among the residents of Brock township.

In one farm situation of which I am aware—and unfortunately I do not have my notes with me—as I recall, 140 or so acres of class 1 land were allocated to this farm. Under appeal and as a result of further reassessment of this property, it

has now been determined that there are 17 acres of class 1 land on this farm. Of course, this sort of information spreads through the community like wildfire. It really leads to greater frustration and greater dissatisfaction among the residents when these sorts of inconsistencies come to their attention.

I would like to mention this to the minister. I am certainly aware that the assessment people in Durham region work hard and try hard, but when cases like this receive a lot of public attention, we have to understand that the opinion of the residents of that area has to be affected by changes of that order.

The attention of the farm community in particular, and to a lesser extent that of a number of rural residents there, has been drawn to the change in values of farm lands as one goes from the southerly area of the municipality to the more northerly sections of the municipality. The values of properties change as one moves north. For some commuters, it is easy to see that distance from Oshawa and Metropolitan Toronto could certainly have some effect on property values.

**Hon. Mr. Nixon:** The farther one gets from Oshawa, the more valuable the land.

**Mr. Stevenson:** No. Surprisingly enough, the closer one is to some of the major industrialized areas, the higher the values tend to be.

That same sort of variation occurs in farm land. There is a tendency for there to be more good farms in the south end of Brock than there are in the north. But if one looks at that municipality and asks oneself, "If I had the same farm, the same quality of farm land located in the southerly section, central or north, is there really that much variation in the value of those properties?"

I ask the minister to look at the situation in Brock township and review the general assessment procedure there. If the assessors are understaffed and do not have the time to take a close look at some of these properties—it is a little tougher with the farms because some of them are so large and some have limited frontage and so on—but they should have a look and thoroughly review the situation in Brock to alleviate what seem to be some serious inconsistencies in the assessment of properties.

If more help is needed they should find the money to hire people to get the job done over again in a more consistent manner, so a considerably greater number of the residents feel more confident in the quality and consistency of the job that has been done in assessing properties.

**Hon. Mr. Nixon:** The member is reflecting what happens in any area where reassessment takes place. It is about to happen in certain areas in Brant county and I have a feeling I am going to experience some of the things he has experienced. It cannot be done without certain feelings of dissatisfaction.

These feelings tend to reflect politically, not so much on the people such as ourselves although we get a lot of complaints, but on the reeve and council, particularly the reeve and council that opt for the reassessment. The people who find themselves not positively affected by the reassessment tend to get a little upset.

I have just been informed that in Brock township there were 400 appeals and about half of one per cent by way of value were lost. The other 99.5 per cent were maintained by the appeal court. I know that is not much comfort to the people who appealed. There is a feeling, even in an appeal procedure that is obviously at arm's length, fair and professional as this was, that while one may have one's moment in court it does not amount to very much.

I have known people to go through the appeal procedure and somehow not feel fully satisfied with the procedure. That is another matter. There is not much we can do about that, other than be sure the people hearing the appeals are professional, knowledgeable and consistent. That is always a goal and something perhaps we can improve on. If there is a specific case of a property where there were 17 acres of class 1 rather than another number, that is the sort of thing we are glad to hear about specifically, even in some confidence, and to look into.

My own feeling, however, is that the assessors are capable and well-motivated. Instances where they act in anything less than a professional way are extremely rare, and I feel the ministry has dealt with them in quite an effective way. I want to be as supportive as I possibly can to the assessors, who are not the most popular people when they start tramping around a property, even when they are doing their duty in a professional and judicious way at arm's length. If we are going to stick with property taxes we have to have the best assessment we can. We want to improve the procedure. That is what we are talking about.

If the member would care to give me the specific property he referred to I will be glad to look into it and give him a report.

**5:10 p.m.**

**Mr. Stevenson:** I will make one other very brief comment. I accept the fact that the people



involved are trying to do their best. I do not want to suggest otherwise. My concern is whether there are enough people with adequate funding to do the job that is put in front of them. Are they properly equipped or trained to do the job?

When there is a situation of the type I referred to, and I will gladly get the information, the news gets out, which I am sure is not the sort of advertising the ministry would like to have. Are we sure we have the resources to investigate the number of properties out there and do it well, so we have the confidence that the time and effort have been put into the job to do it as well as people can possibly do it?

I fully realize there will be dissatisfaction and differences of opinion on occasion. We see that on a regular basis with property values, not only with assessments but also in the real estate business and so on. One sees some of the variations in assessments that have been put on those properties, particularly as one moves from south to north. One questions how much of it is real and how much is imagined, particularly in relation to farm land.

I know the assessors have to do some massaging of values because sometimes sales, for whatever reason, are excessively high or low, but some of the procedure of putting market value on properties, particularly when the value assigned by the assessor is substantially different from the actual value of the sale, can have significant impact on how market value assessment is placed on other properties that are near properties that have actually sold. That has aroused some concern in the area and it is something I suspect the minister will meet in his own area.

**Hon. Mr. Nixon:** I do not want to pursue it unduly, but I have a lot of sympathy for what the honourable minister is referring to.

**Mr. McClellan:** You are the minister.

**Hon. Mr. Nixon:** Did I say "minister"? No matter.

**Mr. Villeneuve:** You take the salary too.

**Hon. Mr. Nixon:** Some people are slow learners.

Our own township of South Dumfries is totally rural, except that it is an extremely attractive place to live. The worst farms on the basis of productive farming are the ones that command the best value when city slickers come out and say: "Oh, this is nice with these hills, rocks and swamps. This is exactly the kind of farm we want." They pay through the nose. That affects the value. Other people who are trying to eke out

a living through hard work, scrimping and saving the way all the farmers do, find their assessment affected by those new, welcome neighbours from the city, who come parachuting down with bagloads of money. It is very dislocating.

I am not sure how we are going to correct that, but it is the sort of thing that makes people wonder when the values of their working farm properties change and when the very highest values in the township are associated with farms that have probably changed hands 25 times in the last century rather than no times in the last century or two.

**Mr. Chairman:** The member for Oakwood.

**Hon. Mr. Nixon:** I can tell the member for Oakwood there are still a few good farms for sale up there.

**Mr. Grande:** Of course there are. We are just trying to find out and locate where they are. It has been chiselled away from us over the years, as the minister knows.

**Hon. Mr. Nixon:** What do you mean?

**Mr. Grande:** Well, the original town of York was what is now Toronto.

**Hon. Mr. Nixon:** Tell me about it.

**Mr. Grande:** I would like to take a few minutes—not a long time—to find out something. I am happy the member for Waterloo North (Mr. Epp) is here in the Legislature. In May 1984, a flier was sent out to the good people of the riding of Oakwood asking them to come to a special meeting on their high property taxes.

**Hon. Mr. Nixon:** Is the member sure he wants to do this?

**Mr. Grande:** There was a picture of the present Premier (Mr. Peterson) and the member for Waterloo North.

**Mr. Epp:** It was a great meeting. The member should have been there.

**Mr. Haggerty:** It was very fruitful.

**Mr. Grande:** I wanted to ask him what he learned from that meeting. I do not know whether the Minister of Revenue is going to allow him to stand up at his place and answer that. What did he learn at that meeting? It is important for us in the riding of Oakwood to know whether this new government understands the problems of the city of York, the problems that I, as one of the representatives of the city of York, have been trying to bring to this Legislature for the past 10 years. The previous administration never understood it, figured it could not do anything about it, or did not want to waste the time and energy to solve the problems there.

Before I begin to ask the questions or give the minister a feeling of the solutions we feel we require and need in the city of York, I want to know the base of his understanding so that I can begin from there. If the member for Waterloo North gets the permission of the minister, I would appreciate knowing what he learned at that particular meeting in May 1984.

**Hon. Mr. Nixon:** I have already checked with the Chairman as to whether the rules permit the parliamentary assistant to respond to the question, and he has told me they do not.

**Mr. Chairman:** If the member for Oakwood was to ask you the question, you could, if you wish, ask your parliamentary assistant.

**Hon. Mr. Nixon:** Oh, yes. I have consulted with the honourable member fully and also with the former Leader of the Opposition, now the Premier, about that meeting. We were interested only in getting their views on property value assessment and matters related to the benefit and good of the city of York.

One of the reasons we decided to have this review culminating in the report of the member for Waterloo North was as a result of that meeting and many others like it across the Metropolitan area and in many areas of Ontario. The many people who attended that meeting—the member is nodding his head that there were many people—expressed dissatisfaction with a broad range of matters in that area. It was such that we felt we should proceed to commission this report.

The report recommends a different approach to renovations, which is more clearly understood. It is seen by fair-minded, people to be the classic politician's phrase, "a step in the right direction." It is not perfection; that will come next year, perhaps. It was as a result of these meetings that it became apparent this was a matter requiring action by this House and by the government of the day.

I cannot answer the honourable member's question more specifically other than to say that one of the main complaints we have received from this metropolitan area and from some other urban areas concerns the policy on assessing renovations. They felt it was inconsistent—it may have been—and did not provide the initiative for home owners to improve their properties without the negative application of higher taxes often resulting.

By making it clear what renovations could occur without triggering assessment changes and by leaving some of the initiatives up to the local municipalities as to the level of renovations that would trigger assessment, we thought we were

bringing it up to date and relieving some of the concerns expressed by the people in the member's constituency and elsewhere in the metropolitan area and across the province.

5:20 p.m.

**Mr. Grande:** I thank the minister for that answer. Indeed, this is one of the many concerns that the people of the riding of Oakwood have raised, I am sure, with the minister. The minister has decided, or will be making a decision, to move in that direction. I think most members of this Legislature will be supporting that move.

I want to find out from the minister whether the assessments of comparable homes within a particular municipality, either in the residential class or in other classes of properties, go across the borders of a particular municipality. For example, why do we find that the good people of the riding of Oakwood in the city of York are strapped with the highest property taxes in all of Metropolitan Toronto? Why is it that, at the same time, they have one of the lowest levels of services in Metropolitan Toronto?

The minister is going to answer that by saying because they have a low industrial-commercial tax base not enough revenue is generated and therefore the residents have to pay a tremendous amount in property taxes. However, is he going to take a look at that problem and make sure a home assessed at \$5,000 or \$6,000 in the city of York will be paying as much as a home in North York or in Etobicoke assessed at the same amount? That has been a problem for many years in the city of York, and I feel the minister should begin to address that concern.

I will have the opportunity to raise other concerns with the Minister of Municipal Affairs (Mr. Grandmaitre) and with this minister wearing another hat as Treasurer. However, I hope there is an answer to this, because as long as the taxes paid in the city of York are higher than those paid in any other municipality in Metropolitan Toronto, not only are the people of York going to be before assessment review to appeal their taxes, but there is going to be something much greater than that as well. Some people are beginning to threaten the nonpayment of taxes, and that is very serious.

**Hon. Mr. Nixon:** The member for Oakwood makes a good point, because when people point out in informal discussions that I have this responsibility, they soon start talking about assessment, and quite often they will say, "My house in the city of York, compared with something in Etobicoke, has a much higher



assessment." The solution, of course, is Metro-wide reassessment.

**Mr. Breagh:** Ha, ha.

**Hon. Mr. Nixon:** That is a fact.

**Mr. Breagh:** That is the ultimate solution.

**Hon. Mr. Nixon:** It may not be the ultimate solution, but there is no way we are going to be able to compare a property in one municipality with property in another when they are in one municipal agglomeration unless we have assessment across those municipal boundaries.

In detail, my adviser tells me that comparative values are normally found within the municipality itself, but if a house is on a street that is the dividing line between municipalities, there are cases where values across the street are taken because they are the closest. However, to go into the middle of the next municipality to be sure a balance is achieved is not one of the procedures.

Although the member for Oshawa (Mr. Breagh) is getting a little ironic or something about Metro-wide assessment, that is the solution. With a little luck and probably with the commitment and good intentions of the mayors of the various cities, along with the assistance of a chairman, etc., to undertake this, we might—and I sincerely hope we can—undertake a reassessment in the metropolitan area that, in part at least, will do away with the problems the member has raised and bring justice and equity to the property holders of the whole metropolitan area.

We also must remember that the borough of York does not have a very high proportion of nonresidential assessment.

**Mr. McClellan:** The city of York.

**Hon. Mr. Nixon:** The city of York, yes; I am living in the past.

For this reason also, because it is residential and they require a level of services at least as high as those of other cities, the tax rates tend to be quite high. This is not totally the responsibility of inadequate assessment; it is associated with things over which we do not have complete control.

**Mr. Villeneuve:** I have just a few remarks to the Treasurer. I speak as a real estate appraiser who has been doing appraisal work for quite a time. In certain parts of rural Ontario, if the Treasurer were to truly base assessment on market value people would pay no taxes. Not only do distressed values apply in certain areas of rural Ontario, but there is also no effective demand.

As the Treasurer knows, market value is established based on history, sale and known factors; it is based on historical data. The majority of the sales that have occurred in rural Ontario, especially in those areas that produce red meat or cash crops, have been distress sales, at only fire-sale prices if there is a demand at all. In those parts of Ontario, if market value were being applied as it should be those people would not be paying taxes. I understand that in certain areas of the beef-producing section of this province entire townships would be sold very quickly if there were any sort of effective demand.

These are situations that must be addressed very quickly by the Treasurer and the Minister of Agriculture and Food (Mr. Riddell). As a former employee of the Farm Credit Corp., I check their statistics quite often. Since 1980, there has been in excess of a 50 per cent reduction in the value of farm properties in many areas of this great province.

Realtors are very hesitant in listing farm properties. The majority of properties that are sold in the areas with which I am familiar are sold as going concerns. Dairy operations in particular are sold as going concerns, with real estate quota, livestock and equipment as one package.

If the Treasurer were to subtract from this package the value of the quota, the value of the livestock at market value and the value of the equipment, he would find the residual value of real estate, which is land and buildings, to be minimal. That is a very grave situation. If he is going to proceed with market value assessment as it should be, many of these values on rural properties would be cut by at least 50 per cent. There are many cases where properties still would not sell after having been cut by 50 per cent. That is a very grave situation.

**5:30 p.m.**

**Hon. Mr. Nixon:** The honourable member once again makes a very interesting point. The property values in our own area are plummeting and certainly have done so for the past eight years. For example, property in Norfolk county for which the government of Ontario paid as much as \$2,800 to \$3,000 an acre some years ago, or probably an average of \$2,000 an acre, could not possibly be sold by the new owner—for \$600 an acre; so there has been quite a change.

The assessment procedure examines every land sale in the province, particularly land sales from farmer to farmer. This of course takes out of main consideration the sale from a farmer to a

well-to-do Toronto resident who wants to go up and paint his fences white. They are very welcome, but it skews it slightly if one allows them to have too much influence.

The assessors and the supervisors do review all these sales. They check them with the Ontario Federation of Agriculture for its input in this connection. They compare similar properties by way of productivity; that is, the classification of the land, its proximity to market and, of course, the actual value of sales taken; particularly, I once again emphasize, from farmer to farmer. So on that basis they do maintain the actual sale of land.

One of the things I was concerned with was the assessment of farm property used to grow high-value crops such as tobacco. The value of the property would be very high, but as the member may very well be aware, that value is reducing. The member knows about this as well as I do. It is very difficult to sell a tobacco farm now unless the new owner is going to put it to other use, such as growing corn, soybeans, lettuce, pumpkins, asparagus or some other crop which has a return that is nowhere near as lucrative as the tobacco crop used to be; and still is, in fact, in many areas.

The assessors do have a procedure whereby the value of the land is established in what they consider to be, once again, a fair and equitable way. It can be appealed, but the assessors have been remarkably successful in having their assessments accepted by the appeal boards.

**Mr. Villeneuve:** The Minister of Revenue knows that in the mathematical process of establishing and assessing value, three approaches are commonly used. There is the income approach, and I suggest to the minister that in many instances the income approach on a farm that is not a dairy farm or one that is protected by supply-managed quotas is negative. Therefore, on the basis of the income approach, the real estate returns no dollars to its investor and therefore would not be purchased on the basis of income.

On the basis of market value, the same situation applies. Market value is, as I have said, based on historical factors, based on the situation where property A sold at a certain known value, and one yardsticks the acreage, the soil quality, the type and quality of the buildings and the functional ability of these buildings.

The third approach is the cost approach, which is used only in a situation where there are no comparables and a very shaky income. The cost approach establishes the replacement costs of the

improvements, less depreciation from all sources.

I suggest to the minister that in many parts of Ontario, on the basis of those three approaches, many land owners who are trying to eke out a living producing red meat or cash crops would pay no taxes.

**Hon. Mr. Nixon:** The income approach the member refers to is not used for farms; it is used for commercial properties but not for farms. If the farm has a milk quota or something like that, it is irrelevant as far as the value of the land is concerned. The quota is sold separately, and the member knows that.

On the basis of income, one cannot say: "That is a productive farm, therefore, it is going to have a higher assessment." One can say it has a certain proportion of class 1 or class 2 land, and I believe that can be used in establishing the value.

We have already referred to market value. I am told the emphasis is on an arm's-length sale from a farmer to a farmer, not from a farmer to a city slicker who wants a few horses. Like most farmers, I have certain prejudices about how these things affect assessment. We have a small township in my riding where a large proportion of the township was sold to Ontario Hydro. It is not known for paying the lowest market value, although the sellers usually complain about the price. Even in these instances, the assessors are very careful not to allow those sales to influence unduly their decision on the assessment of other properties.

Replacement cost is an interesting aspect I do not believe is used. The basis of the assessment is a review of comparable properties sold from farmer to farmer. It sounds good, and the intention is 100 per cent to base assessment on that. Of course, it is an art rather than a science, although they want to make it as precise and computerized as possible. We feel we are doing a good job and will continue to do so.

**Mr. Lupusella:** I am a little disappointed with the answers the minister is providing to this House. He is very machiavellian; I have to recognize that. During the course of these estimates, he has heard that rural areas are very concerned about assessment. Market value assessment in rural areas has been implemented now for many years. He has also heard that there are inequities in metropolitan areas such as Toronto.

The minister is concerned about everything. We have the minister of the crown telling us he is concerned and saying his ministry "should" and his ministry "will," but he did not come out with



a specific program about what his ministry will do about the whole issue of assessment.

I will give a synopsis of the issue we now are faced with. We have the Goyette report. We are faced with a task force appointed by Metropolitan Toronto and with a bunch of paper released by the present Minister of Revenue in relation to the issue of reassessment in Metropolitan Toronto.

My complaint is that I am not satisfied with the minister's answers. He is gambling politically. Even the answer to my colleague the member for Oakwood (Mr. Grande) smells of political opportunism.

When the Liberals moved into Oakwood riding, they did not go there because they were extremely concerned about the issue of property taxes; they were concerned to take over the riding. That is why they went there. He should be more open in giving this type of answer instead of saying: "We are concerned. We are going to restructure. We know where the problems are."

In fact, we know the assessors in his ministry are not doing their job properly. I am a little reluctant to recognize that his open mind provides us with a very conservative mind on this important issue affecting each family in Ontario.

**5:40 p.m.**

I was of the opinion that on reviewing that ministry's assessments, the minister would have complied with a clear principle of assessment in relation to what his government is going to do on the issue. As far as I understood the minister, he is ready and prepared to go only as far as to take into consideration the renovation issue in Metropolitan Toronto and nothing else and to keep the status quo as it has been kept by the Conservatives for so many years.

I expect the minister to stand up on his chair and come out with a clear answer instead of playing political games.

**Hon. Mr. Nixon:** On my chair?

I can assure the member that our motivation in going into Oakwood was to find out what the people were interested in by way of assessment change. It was exactly the same as the motivation of his leader and some of his colleagues who came to Brant-Oxford-Norfolk riding to find out about nursing homes. There is no question the motivation is directed entirely towards the betterment of the community in more ways than one.

The member's complaint or disappointment about the lack of a timetable is well-founded. In my comments on the introduction of the report I stated that I hoped the committee or task force on

reassessment in Metropolitan Toronto would commence its work as soon as possible. Actually, I said immediately, if not sooner. It is my intention to get that going as soon as it can be organized and arranged.

I also hope to make an announcement to the House before the end of the year on the aspects of the recommendations from the report that we can enact without legislation. In other words, there are some things that can begin simply by direction of the minister, and some by regulation, I presume. We hope to select those—and I have not found too much in the report I do not like at this stage—so we can proceed with them.

Anything that requires legislation, unfortunately, might take a bit longer. I cannot guarantee that the bill for those changes will be before the House in this calendar year. It would be nice if that were possible, and it may be, but obviously in 1986 I am hoping we will have more far-reaching changes to present by way of legislation.

**Mr. Lupusella:** The minister introduced the Assessment Amendment Act, 1985. Such a bill has been introduced every year for at least the last 10 years. A bill has been introduced every year since 1970 to prevent the application of market value assessment in Metropolitan Toronto.

We had a study, which has been released; they were hidden by the Conservative administration in the past but this minister was kind, as we have to recognize, and released the study. There are so many inequities involved. We have a law that has been introduced every year so market value assessment should not be considered at all in Metropolitan Toronto. Why are we talking about reassessment and all the time having political dialogue on market value assessment when we are faced with clear legislation that prevents any assessor in Ontario from applying that principle in Metropolitan Toronto?

Can the minister deny that in the past, market value assessment has been applied in Metropolitan Toronto despite all the studies that have been released? Why are his ministry assessors not going back to the same properties to roll back the amount of the increase that has taken place in relation to the application of market value assessment?

Just to refresh the minister's mind, on March 15, 1982, the member for Parkdale (Mr. Ruprecht) raised the issue with the then Minister of Revenue. I quote: "I have a question to the Minister of Revenue about property tax assessment in the city of Toronto. The minister is no doubt aware that some homes in Toronto have

received increases in their assessments exceeding 300 per cent." The Treasurer's own colleague raised this issue.

"Will the minister have the candour to confirm that provincial assessors have deviated from the usual administrative procedures in reassessing renovated homes in the city of Toronto? In other cities, the assessors used the assessment manual in connection with renovation, employing the criterion of historical value. Does the minister deny he is using the reassessments on renovated homes to introduce market-value-based assessment by the back door?"

That is what happened. Even though there was clear legislation preventing the application of market value assessment, the government of the day broke the law. I am urging the minister to send back the same assessors to review all these increases and roll back the assessments.

Am I asking too much? The Treasurer should try to comply with the principle of his own law now. They did not follow the law in the past. Is the Treasurer going to follow the one that has been introduced, the Assessment Amendment Act? What is he going to do? We do not need more studies. Is the Treasurer going to send the assessors to roll back the assessments of these people which have been increased unfairly?

**Hon. Mr. Nixon:** I am sure the honourable member is aware the Legislature or this government would have the power, if they wanted to do so, to impose market value assessment and reassessment on the Metropolitan Toronto area. We have the power to require that our assessors be admitted to any property by warrant. We do not use that at all and it is not my intention to jam a reassessment down anybody's throat.

As a matter of fact, by virtue of simply selling a reassessment on the basis of its merits, 72 per cent of the municipalities of the province are now reassessed at market value and many of them have had a second reassessment. Some of them are ready for a third. The recommendation of the report is that reassessment occur automatically on a four-year rotation, which I think is extremely valuable.

Metropolitan Toronto is the area that has never accepted this sort of reassessment. As I say, we have the power to impose it, but I personally think that would be a very serious mistake. That is why the report recommends establishing a task force, really a continuation of the one that is currently in existence, co-ordinating it with officials of the Ministry of Revenue who are expert in assessment matters and finding a chairman from the community of Metropolitan

Toronto or elsewhere who can command the respect and attention of the municipalities concerned, with a deadline that is not imposed—let us say suggested—by the minister, of September 1, 1986.

We can persuade the municipal leaders recently re-elected, with three years to go before another election, to move forward with the kind of reassessment that I believe in the long run will be seen to be fair and equitable in the city.

It is by no means going to solve all the problems, but it is the only way we can approach the solution to the problems the member, his colleagues and others have brought to my attention. I think it is a rational and fair approach. If all members would consider that as an alternative and not throw too many distracting things into the fan, we might be able to achieve something worthwhile in the next calendar year.

I sincerely ask for the members' thoughtful consideration and support for that. We will move forward as deliberately but as quickly as we can to achieve it. If it becomes apparent it cannot be achieved, we will have to look at some other alternatives. Probably the least attractive one is taking no action at all.

**Mr. Lupusella:** Can the minister make sure that next year the Ministry of Revenue prepares an annual report? I do not think it has been printing one and I would appreciate it if he would comply with my request.

**Hon. Mr. Nixon:** I was not aware we did not have an annual report.

**Mr. Lupusella:** The minister has the old one.  
5:50 p.m.

**Hon. Mr. Nixon:** We can probably do something about that. We could perhaps make a review of the ministry a little more orderly if we could bring ourselves to go through the estimates of the ministry section by section. We are going to run out of time, but the time available for estimates cannot accommodate speeches of two and a half hours, no matter how interesting they are.

I am not critical; it is the members' time. However, we do not have unlimited time. We have a process that would permit us to go through the work of the ministry section by section. I have no complaint about spending this time on assessment. I wish we had more time and I think there will be an opportunity for further discussion.

**Mr. Dean:** In the dying moments of the time we have, I have a couple of short questions for the minister that I think are more along the lines



of what he just referred to; that is, something about the operation of the ministry itself instead of the general policy of some of the dealings of the ministry.

One is listed in vote 901, item 3. I have numbered the pages myself. The minister does not have them numbered, so he will not know what it is, but he can find it.

**Hon. Mr. Nixon:** Audit services?

**Mr. Dean:** Yes, where they speak about value for money. I wonder whether the minister could say in a few short sentences what that really implies. I know what an auditor looks for in a general way, but how much value for how much money? What are we looking for there anyway? Maybe I could have a few of the minister's thoughts on that.

The second one is in regard to Oasys, the Ontario assessment system, if that is what it is called properly. It sounds like a very dry operation anyway. It is the assessment and information system. I would like a further explanation of what it will make available to the people in the ministry, and to the public, on a ready basis that is not available at the present time.

**Hon. Mr. Nixon:** The audit question about value for money is an interesting one. I believe the federal government led in this. I am not sure, but it was some years ago that the Provincial Auditor was instructed by our new Audit Act to undertake value-for-money considerations as well as simply tracking the dollars from their approval to their expenditure.

Value for money is an attempt by our auditors to consider the efficacy of the program. This is a tough assignment because sensitive ministers are liable to think the auditor is transgressing into a policy area, but of course the auditor has indicated his concern about value for money on more than one occasion.

One area of concern the Provincial Auditor has expressed by way of the Ministry of Revenue is that we do not have sufficient audits of our tax clients, if they can be referred to in that way. The honourable member, as a former Minister of Revenue himself, is aware there is some indication that we ought to have a higher or more intensive level of audit of the people who are responsible for collecting the variety of taxes coming into the ministry. He has indicated that a level of a five to six per cent audit would be reasonable. In fact, we are auditing at something more in the level of one to two per cent.

Naturally, to have a more intensive audit we have to spend more money on auditors who are

all trained, capable and professional people. An argument can be made that the more audits, the more revenue, which is an indication of something that concerns me. However, the statistics show clearly that with a more intensive level of audit, the revenue increases on a direct arithmetic progression, if that is correct. The member questioning me used to supervise my arithmetic progression in physics so he can correct me in this instance too.

**Mr. Dean:** I am not responsible for your arithmetic.

**Hon. Mr. Nixon:** I am sorry. He says he is not responsible for my arithmetic.

He also referred to the Oasys system that was one of the more interesting aspects, I thought, of my original statement, going back to the beginning of these estimates. I will read a comment put before me by the deputy minister as follows: "Oasys will give assessors ability to calculate residents' costs and store data for all assessments on an on-line, up-to-date basis. It will give municipalities the right to access on-line information, give ratepayers copies of their appraisal and allow comparison."

How is that for a succinct answer?

**Mr. Ashe:** Mr. Chairman, we are prepared to proceed with the various votes within the Ministry of Revenue.

**Mr. Chairman:** Is there any other honourable member who wishes to participate in these estimates? If not, is it the unanimous consent of the committee that we carry the votes and items at this point? Agreed.

Votes 901 to 903, inclusive, agreed to.

On motion by Hon. Mr. Nixon, the committee of supply reported certain resolutions.

#### BUSINESS OF THE HOUSE

**Hon. Mr. Nixon:** Mr. Speaker, I would like to inform the House that it is the government's intention to bring forward Bill 63 for second reading tomorrow. That is the one introduced by the Minister of Education (Mr. Conway) having to do with the settlement of the board-teacher strike in the Wellington area.

With the agreement of the House, we would like to proceed to committee stage if necessary and to third reading before adjournment tomorrow at 10:30. Naturally, this is in the hands of the honourable members, but that is our intended program.

The House adjourned at 6 p.m.

## ERRATA

No.	Page	Column	Line	Should read:
44	1571	1	24	system called the Ontario assessment system began. This is the largest
44	1571	1	31	Oasys became operational in 22 regions and
44	1571	1	36	duction capacity, Oasys will result in a range of
44	1571	1	47	I believe the Oasys project is an excellent
44	1571	1	50	First, the total cost of developing Oasys is
44	1572	2	17	with this change. In this connection, the Oasys
44	1572	2	21	First, the implementation of Oasys in the 29
44	1572	2	29	In addition to Oasys training, the expanded

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# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

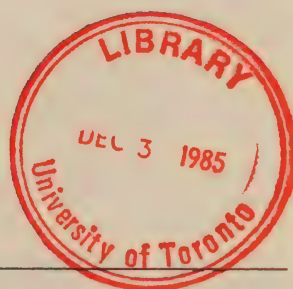
**First Session, 33rd Parliament**

Tuesday, November 26, 1985

Afternoon Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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# LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday, November 26, 1985

The House met at 2 p.m.

Prayers.

## ANNUAL REPORT, PROVINCIAL AUDITOR

**Mr. Speaker:** I would like to inform the members of the House that on Thursday next, November 28, there will be a lockup from 11 a.m. to 2 p.m. in committee rooms 1 and 2, at which time the Provincial Auditor will present his 1984-85 report before tabling it in the House in the afternoon.

## STATEMENTS BY THE MINISTRY

### FIRST-CONTRACT DISPUTES

**Hon. Mr. Wrye:** Later this afternoon I will be introducing an amendment to the Labour Relations Act to provide for the settlement by arbitration of first-contract disputes.

The proposed amendment affirms this government's commitment to collective bargaining as a fair and effective method of establishing terms and conditions of employment. Generally speaking, the collective bargaining system in Ontario is sound; our industrial climate is positive. But the framework for bargaining is not without its flaws, and we recognize our obligations to improve and strengthen the procedures on which the aspirations of working people depend.

Employees who join a union do so with the expectation that collective action will produce monetary rewards and enhance the quality and security of their employment. Certification has no inherent value unless the procedures that follow the acquisition of bargaining rights ensure both parties a fair opportunity to conclude a first collective agreement.

I am not suggesting a risk-free alternative to the present system. By its nature, bargaining is an adversarial process, and participants must be prepared for the sacrifices that may be necessary to advance their interests at the bargaining table. In the normal course of events, however, certification should lead to a collective agreement.

The failure of the bargaining process is not only a cause for disappointment within the work force; it may actually contribute to a deterioration in labour-management relations. Emotions often

run high during an organizing campaign as individuals on both sides declare their support for or opposition to change. If certification is followed by a collective agreement, the foundation is laid for a longer-term, stable relationship with a mechanism to address outstanding problems. Where, on the other hand, the momentum of an organizing campaign and the desired expression of the majority for a collective agreement are frustrated at the bargaining table, there is a natural tendency for the employer to regard the union's defeat as vindication of its own position, and there is a risk that legitimate concerns of the work force may be ignored.

For these compelling reasons, the government believes that first-contract arbitration is essential. The bill would allow either party to apply to the Ontario Labour Relations Board for an order directing the settlement of a first-contract dispute by arbitration. Such an order will be made where it appears to the board that the bargaining process has been frustrated because of the employer's refusal to recognize the bargaining authority of the union, the uncompromising position of the respondent adopted without reasonable justification, the failure of the respondent to make reasonable efforts to conclude a collective agreement, or any other reason the board considers relevant.

I want to emphasize that the bill is simply not intended to add an additional remedy to the board's power to deal with complaints of bad-faith bargaining. Certainly, arbitration would be available where serious misconduct has occurred, but the bill goes well beyond bad-faith situations and breaks new ground. The statutory language is intended to provide broad relief against the malfunctioning of newly formed bargaining relationships. In this government's opinion, bad-faith bargaining should not be a prerequisite for the right to have a first agreement arbitrated.

I think an illustration may assist in clarifying the intended scope for the first-contract procedures. In the absence of any misconduct, both the employer and the trade union may have adopted uncompromising positions at the bargaining table. A tough bargaining posture may be taken to protect legitimate corporate or union interests,

and where both parties have made reasonable efforts to reach an agreement, there is no cause for intervention.

Equally, however, there are times when intransigence in negotiations is symptomatic of a more basic resistance to collective bargaining. Inexperience may also contribute to unrealistic expectations in first-agreement bargaining. In these cases, arbitration should be available to prevent the relationship from foundering.

At the same time, it is vital to preserve the incentive for parties to try to negotiate their own agreements. The two parties are responsible for negotiating their own agreements, and this is important for two reasons. First, the employer and the trade union are best qualified to decide what terms are essential to an effective day-to-day relationship. Second, the act of bargaining in itself affords the parties an opportunity to cultivate their relationship in preparation for the administration of the collective agreement.

The provisions of the bill are designed to encourage bargaining. The bill does not impose an onerous condition on access, but it does ensure that the negotiating process is not bypassed. For example, it will be open to the board to decline to grant arbitration where real progress is being made at the bargaining table. I might add that the bill creates an incentive for both parties to bargain inasmuch as it may be seen to be in their mutual interest to avoid the uncertain results of arbitration.

However, if arbitration is necessary, the bill will respond to the unique dynamics of a first-contract dispute. Time is truly of the essence in the trade union's effort to transform the momentum of an organizing campaign into tangible results at the bargaining table. The bill requires the board to determine the question of access within 30 days and imposes stringent time limits on the commencement and completion of the arbitration process. The expeditious resolution of first-contract disputes will enable bargaining relationships to stabilize and business operations to return to normal quickly.

The bill offers parties a choice as to the forum in which arbitration will be conducted. By agreement, parties may elect to refer the dispute to the Ontario Labour Relations Board. In the absence of such an agreement, the dispute will be heard by a private arbitration board constituted by the parties. One may expect that the participation of the parties in the selection of the arbitration tribunal will enhance the acceptability of the resulting award.

The bill will empower the minister to appoint a mediator to confer with the parties prior to the commencement of the hearing. The intervention of a mediator at this stage in the dispute will afford one last opportunity for a voluntary settlement.

Once access to arbitration is granted, the bill prohibits work stoppages from commencing and, if in progress, requires their termination. Employees on strike will be reinstated in accordance with their length of service and would displace strike replacements. Working conditions will be frozen pending the outcome of the arbitration process.

## 2:10 p.m.

The bill offers guidance to arbitrators in fashioning the terms of settlement. Among other considerations, the bill suggests that wages and conditions of employees in similar circumstances be considered by the arbitrator, as well as any other factors necessary to arrive at a fair settlement.

Arbitrated settlements will operate for a period of two years from the day of the award. This period of stability will afford the unions the opportunity to consolidate support within the bargaining unit and for the parties to become accustomed to dealing with one another. Arbitrators are also authorized to award retroactivity, which will encourage parties to seek a timely resolution of first-contract disputes.

The amendment responds to the actual problems which have been encountered in first-agreement negotiations and will afford relief against the frustration of the bargaining process without destroying the incentive for serious efforts to negotiate an agreement.

## RED MEAT PLAN

**Hon. Mr. Riddell:** It is with great personal satisfaction that I rise to inform the honourable members of a red-letter day for Ontario's red meat producers.

Last Thursday, I informed this House that the day of signing the national tripartite stabilization program was close at hand. Yesterday afternoon in Ottawa, the long-awaited event took place. I signed the national agreement on behalf of Ontario with federal Minister of Agriculture John Wise. As a matter of interest, Ontario is the first province to sign the agreement.

Today, five months to the day since the Liberal government took office, I have the pleasure of delivering the tripartite agreement, an agreement that had been stalled for three years by the inaction of the previous administrations.



The historic signing, which happened yesterday shortly after 6 p.m., culminated three years of negotiations among the federal government, the provinces and producer organizations. I shared this occasion with Gerhard Schickendanz of the Ontario Cattlemen's Association, Tom Smith of the Ontario Pork Producers' Marketing Board and Tom Redpath of the Ontario Sheep Association, who witnessed my signature. That is in keeping with this government's commitment to keep the farm organizations and the farmers involved in our programs. I was particularly pleased to have these three representatives in our delegation. Ontario producers have been most patient and supportive of my efforts to bring the tripartite agreement to a successful conclusion.

Producer participation in the plan is voluntary, but I expect most producers to take advantage of the option to join. Under the program, stabilization plans are established for hogs, slaughter cattle and lambs. A plan for feeder cattle may be implemented at a later date. The plans for hogs and slaughter cattle take effect January 1, 1986; the plan for lambs goes into effect March 1, 1986.

In my statement last Thursday, I announced Ontario's intention to pay \$30.9 million to Ontario producers, in effect to make stabilization retroactive to January 1, 1985. The combined provincial and federal contributions will mean tripartite-level payments for beef producers of \$22.86 per head for slaughter cattle for the second quarter of 1985 and \$79.75 for the third quarter. If the payment is based on pounds gained, the amounts would be comparable.

Farrow-to-finish hog operators will receive second-quarter payments of \$10.11 and third-quarter payments of \$14.31 per hog. After consultations with the pork producers, the pork payment will be split between finisher and sow-weaner hogs. Lambs are also part of this transitional federal-provincial program, but payment calculations have not yet been completed.

Yesterday was an important first step. I hope the signing of the tripartite agreement will start Ontario's red meat sector on the road to new health. It is one more step by my government to bring stability to the agricultural sector.

#### VANIER CUP

**Hon. Mr. Van Horne:** On a point of privilege, Mr. Speaker: Yesterday, my colleague the member for Hamilton Centre (Ms. Munro) reflected on the valiant effort of her home

football team and our province's representative in the Grey Cup, the Hamilton Tiger-Cats.

I am sure that you and all members of the assembly, whether alumni of the University of Western Ontario or not, want to join me today in wishing every success to my alma mater's football team, the University of Western Ontario Mustangs, who will represent us in the Vanier Cup, the Canadian universities football championship, on Saturday of this week.

The Mustangs, under Coach Haylor, defeated a team from the east coast last week in Halifax. They represent Ontario very well, and they will be playing against the Calgary Dinosaurs in the Vanier Cup this Saturday.

Although I know the members all join with me in wishing them every success, I want to add that I do sing and cheer much better than both the Premier (Mr. Peterson) and the member for Hamilton Centre, but mercifully I will refrain from any demonstration of that kind in or near the chamber.

**Mr. Gillies:** If I may speak to the minister's point, I am sure all the Western graduates on this side of the floor would also like to wish the Mustangs well on the weekend. While I would not dare sing in this House alone, I would be willing, if we win, to join with the honourable member in a duet, which I warn him would be truly awful.

#### FREEDOM OF ASSOCIATION

**Mr. Reville:** On a point of privilege, Mr. Speaker: I consider that my rights as a member of this Legislature have been severely abridged.

On October 19, and again on November 2, I spoke at demonstrations in support of striking Canadian Imperial Bank of Commerce workers, two groups of whom are seeking first-contract legislation and first contracts.

Yesterday morning, I attended at my local post office and picked up two registered letters, both of them from the vice-president of the Ontario region of the Canadian Imperial Bank of Commerce, at which I have done business these many years. One of the letters says:

"In the light of recent events that occurred at our Toronto Eaton Centre and Yorkdale Shopping Centre branches, the personal and business relationship which previously existed between us has been brought into question. As a result of your actions, we have decided to terminate our association."

Attached to these letters are three drafts. In addition, my personal demand loan in the amount of \$10,000 is now considered to be due and

payable, and I am advised that I may not enter on to any premises of the Canadian Imperial Bank of Commerce, notwithstanding that they are the holders of my mortgage and of several registered retirement savings plans.

I consider the action of the Canadian Imperial Bank of Commerce is an attempt to use its economic power to discourage a member of this House from participating in important public events. I move that this matter be referred to the standing committee on procedural affairs and agencies, boards and commissions.

**Hon. Mr. Peterson:** I am shocked to hear what the honourable member has just told this House, and I join him in considering it a very serious abuse of his or anyone else's privileges in these circumstances. It appears on the face of it to be a move calculated to shut off free discussion and free debate.

**2:20 p.m.**

I support the member's suggestion in this regard. In addition to that, I will undertake today to get in touch with the senior management at the bank to try to persuade them to change their position, which appears to me a very serious miscarriage of justice.

**Mr. McClellan:** I will be brief because I sense there is a consensus in the House. However, I want to stress how seriously we regard the threat to the privileges of the member for Riverdale (Mr. Reville) and indeed to each and every one of us. He has been threatened with financial intimidation with respect to a matter that is currently before this House. I refer to the bill that was introduced a few moments ago by the Minister of Labour (Mr. Wrye).

If this matter is not regarded as a question of privilege and dealt with by the standing committee on procedural affairs, none of us who is subject to this kind of intimidation, from the Canadian Imperial Bank of Commerce or any other bank, will be able to exercise his or her responsibilities with respect to the first-contract law or any other matters the banks may not want us to talk about.

**Mr. Gillies:** As Labour critic for the Progressive Conservative Party, I want to indicate to our colleague the member for Riverdale that in five years in this House I do not believe I have heard such an outrageous threat made against a member of this assembly. I want to say to the member our caucus is with him. We would like vigorously to pursue this matter in a standing committee of this House.

While we will have spirited debate with the Minister of Labour on the merits of the bill that is being put before us, the member may be assured our caucus will want to get to the facts of this matter with him to see that the rights of the member for Riverdale, as well as those of every member of this assembly, are upheld in this regard so that never again shall a member have such threats made against him.

**Mr. Speaker:** It certainly appears this is a breach of the privileges of a member of this House. The member has placed a motion that this matter be referred to the standing committee on procedural affairs. I will put that motion. Is it the pleasure of the House the motion carry?

Motion agreed to.

[Later]

**Hon. Mr. Peterson:** If the members of the House will permit me—I am not sure if it is a statement or whatever—I would like to bring them up to date on my conversation just a moment ago with the chairman of the Canadian Imperial Bank of Commerce with respect to the point raised by the member for Riverdale (Mr. Reville).

**Mr. Speaker:** Do the members agree?

Agreed to.

**Hon. Mr. Peterson:** I just phoned the chairman, Mr. Don Fullerton, and, to the best of my knowledge, he was not aware of this situation. He told me he was embarrassed, he was going to look into the matter personally and he would get back to me within half an hour after he had ascertained all the facts.

I asked him whether any other letters had been sent out, and he is going to try to determine exactly what went on. It is getting his personal attention. Within half an hour perhaps we will learn more. I just wanted the members to know where it is at this moment. I will continue to pursue the matter.

**Mr. Rae:** On a point of order, Mr. Speaker: That is all very well, but I hope the chairman of the bank realizes these matters are not only going to be settled by conversations with individuals, but they are going to have to be settled before the standing committee on procedural affairs and agencies, boards and commissions. This House is entitled to have that bank come forward and indicate its policies, not only to individual members but to all the citizens of Ontario.

**Mr. Speaker:** I remind the member that motion was passed by the House some time ago.

**Mr. Grossman:** Before my first question, may I say to the Minister of Agriculture and Food



(Mr. Riddell) that I know he probably left out several paragraphs in his statement. He would have wanted to acknowledge the fact that the single person in this country responsible for tripartite stabilization is the member for Don Mills (Mr. Timbrell).

## ORAL QUESTIONS

### FREE TRADE

**Mr. Grossman:** My question is to the Premier. Yesterday the Premier finally tabled figures with regard to the potential job losses that freer trade could bring about in this province. Could he share with the House his calculations with respect to the potential benefits and job gains?

**Hon. Mr. Peterson:** As the member knows, there is not unanimity on this subject. I am being very fair. A number of studies have been commissioned. We have been urging the federal government to develop a common data bank to discuss these matters, on which there is a variety of opinion.

At this point, it is still very unclear what the federal government has in mind with respect to the free trade initiative. We are developing a number of studies and are prepared to share them with all members of this House as they come through the system. There are no secrets as far as I am concerned. We would like to have the member's analysis of that information and his views. When I go to the first ministers' conference this week to speak on behalf of Ontario, it would be most helpful to have the support and advice of the honourable members in this House.

**Mr. Grossman:** To get back to the question I asked originally, and I am going to ask it again and we are going to continue this until we start to get some answers from the Premier—I will wait until Edgar Bergen has finished.

Interjections.

**Mr. Speaker:** Order.

**Mr. Grossman:** The question was not whether the Premier would be kind enough to receive advice from the people on this side whom he referred to as yahoos last Friday. That was not the question. We will get to that another time.

I will repeat the question because we want an answer. Yesterday the Premier released, quite understandably, an estimate of the job losses we may face as a result of free trade. He had said on an earlier occasion, "We do expect benefits to exceed costs from whatever course we choose to

follow." That was said on August 20 to the Premiers' conference.

It has also been indicated that "Peterson admitted he would favour a free trade agreement"—this was one day when he was in favour of it—"if it could be proven that such an agreement would be beneficial to Ontario." Before he goes to the conference to outline, not the Progressive Conservative Party's position but the Liberal Party of Ontario's position on free trade, will he tell us what estimates he has that show the potential job gains from free trade agreements in Ontario? Does he have any?

**Hon. Mr. Peterson:** I told the honourable member I have released what we have. If he has any other information he wants to share, I will be delighted to share it. We are releasing all that information; it is being shared with the members. I have answered the question.

**Mr. Grossman:** The Premier has none. He knows what the losses might be but not the benefits.

**Hon. Mr. Peterson:** The member is talking about our position. We have been very strong and consistent—

**Mr. Grossman:** We do not want any arguments. We want to know the Premier's position.

**Mr. Speaker:** Order.

**Hon. Mr. Peterson:** Leading is listening; so the Leader of the Opposition might want to listen for a little moment.

**Mr. Grossman:** We just want the Premier's position. He gives us everything except his position.

**Hon. Mr. Peterson:** The member's position in this matter has been all over the map and at odds with that of his colleague the member for Don Mills (Mr. Timbrell). He was quoted on September 9 as rejecting a comprehensive free trade deal. I saw him on television—

Interjections.

**Mr. Speaker:** Order. The member for York South.

**Mr. Rae:** Yesterday the Premier released information showing that more than half a million workers in this province are working in industries that have been described as either sensitive or highly sensitive to the impact of free trade. Just what kind of information would it take to convince the Premier that he should be indicating to the Prime Minister of Canada that an initiative for free trade discussions with the United States is simply not on? Precisely what would it take to get the Premier to get off his duff

and to indicate clearly to the Prime Minister of Canada that is what is in the interests of the people of Ontario?

**Hon. Mr. Peterson:** I think the honourable member would rather shout about this issue than discuss it calmly. As members know, it is a complex issue.

A number of the so-called vulnerable industries are vulnerable regardless of a free trade agreement. We are in the midst of an industrial restructuring in this country. We are facing competition from a number of low-wage countries that are going to make an assault on us for a long time to come. It is our view that would be dramatically accelerated by opening the doors.

**2:30 p.m.**

At this point there is no indication that the federal government has any ideas on restructuring moneys or so-called retraining incentives. There is much yet to be determined from the federal government, which proposed this original initiative. It is for the very reasons the member has expressed, and I have shared with him and members of the public, not just yesterday but for the past several months, that we are proceeding with great caution in this matter. We will continue to register those concerns, not just on behalf of Ontario workers but on behalf of workers right across this country.

**Mr. Grossman:** I am sure the workers, if they ever understand what the Premier just said, will be very gratified that he will be going to the conference.

Since the Premier will not give us yes-or-no answers, I will give him a multiple-choice question.

**Mr. Martel:** He learned from the Tories.

**Mr. Grossman:** Not very well.

I want to give him a multiple-choice question. He may pick one of the five. Which of these positions of the Premier on free trade is he going to be adopting for the first ministers' conference? They are (1) September 24 in the *Toronto Star*, "Peterson added that negotiating with the US may help Ontario in the long run"; (2) two weeks later in the *Toronto Star*, "If I had a choice, I'd rather have some more work done on the subject"; (3) *Hansard*, November 4, "I personally and this government have strong reservations about jeopardizing our industrial base in Ontario"—

Interjection.

**Mr. Grossman:** Listen for a second. Hold up big block letters.

**Mr. Speaker:** I hope these are very brief.

**Mr. Grossman:** There are many more, but I will just pick two more.

**Mr. Speaker:** Very briefly.

**Mr. Grossman:** They are very brief.

The Premier may want to select (4), when he said he "will be urging caution before any move towards free trade is made"; or (5) he might want to endorse the position taken by the Minister of Industry, Trade and Technology (Mr. O'Neil) yesterday, when he ruled it out entirely. Which of the one to five positions would the Premier select tomorrow?

**Hon. Mr. Peterson:** In case there is any misunderstanding, the Minister of Education (Mr. Conway) was asking me to ask the Leader of the Opposition about the elephants he was going to use at the convention.

It is none of the above, but let me tell him what it is not. It is not: September 19, the *Toronto Sun*, "Grossman also rejected negotiation of a comprehensive free trade deal with the United States"; *Globe and Mail*, "Mr. Grossman says he would favour a fair and free trade agreement with the Americans. He held up the auto pact as a model—"

**Mr. Grossman:** Which of the five?

**Mr. Gillies:** Trudeau is back.

**Mr. Speaker:** Order. I would like to remind the members once again of standing order 23(b), which says, "When a member is speaking, no other member shall interrupt him, except on a question of order."

**Hon. Mr. Peterson:** With great respect, they wanted an honest response and I was going through the three-part, multiple-choice questionnaire. The third part of it was in the *Toronto Star*, in which, "Mr. Grossman told reporters he would back a deal reached on an industry-by-industry basis."

There are three different positions in one day—a marvelous piece of listening.

**Hon. Mr. Bradley:** None of them was in the regional debates.

**Mr. Harris:** What is the Premier's position? Is he suggesting that we go to the first ministers' conference?

**Mr. Grossman:** I say to the Premier that the ministers and the Prime Minister will be interested in my views at the next first ministers' conference.

**Mr. Speaker:** Order. New question.

**Mr. Grossman:** It is shocking and scandalous that the Premier would go with that sort of rhetoric. Give us an answer. No answer.



## MINISTER'S COMMENTS

**Mr. Grossman:** I wonder whether the Premier, now that he has shown us his complete understanding of free trade, would be kind enough to tell us if he finds it "disgusting politics," to use his words from April 21, for someone in the government of Ontario to run around saying, "If you do not vote for us you do not get any services." Does he still find that disgusting politics?

**Hon. Mr. Peterson:** Frankly, I have no idea what the honourable member is talking about. If he wants to ask me a question, I would be very happy to answer it.

**Mr. Pope:** He just asked it.

**Hon. Mr. Peterson:** Who is he quoting? Please be a little more forthcoming. I am very happy to answer any question he has.

**Mr. Grossman:** The Premier is not prepared to say he finds that disgusting. Let me say, in my first supplementary to the Premier, that he describes these politics as being "crass, offensive in the extreme and an abuse of power."

I would like to ask the Premier whether he feels the same way about the fact that one of his ministers, specifically the Minister of Northern Affairs and Mines (Mr. Fontaine), said, and I will quote from an affidavit sworn by our member for Rainy River (Mr. Pierce): "This tax gives me \$100 million for roads. You voted against it. There will be no money for your roads, including Bending Lake road. The money will go to my friend, Gilles, for the Manitouwadge road."

**Hon. Mr. Peterson:** With respect to the honourable member's question, I think the original quote to which I was referring was perhaps some of his remarks during the last leadership campaign, when he was talking about a patronage office in northern Ontario, when he was trying to buy off the delegates. That was his first go-around. He will recall that. He may have seen some discussion with respect to that. I recall those discussions he had.

Interjections.

**Mr. Speaker:** Order.

**Hon. Mr. Peterson:** I am very happy to address my mind to that. The honourable minister may want to respond to the affidavit which the Leader of the Opposition has, sworn to by one of his colleagues. I have no personal knowledge of that. If he wants to speak to it, I am sure he will and I will invite him to do so.

However, let me tell the member something; I have never seen such a blatant promise of patronage as his party employed. He will recall his former leader promising the road in Cochrane South, in Timiskaming, if they voted the right way. We do not do that kind of thing.

Interjections.

**Mr. Speaker:** Order.

**Mr. Pouliot:** Today is my day to be appalled and shocked, but nevertheless the point is well taken.

I would like to ask the Premier whether he would give the assurance the Minister of Northern Affairs and Mines will convey to his friend "Gilles" that indeed those roads will be paved in the great riding of Lake Nipigon.

**Hon. Mr. Peterson:** My colleague the minister has been travelling widely in northern Ontario and I know a number of the members in the north, regardless of political affiliation, have been very helpful in trying to assist this government in fulfilling its responsibilities there. If my colleague had his way, he would pave every road in the north. There is no question about that.

He is the most active, thoughtful spokesman for northern Ontario I have seen in a very long time. I am sure he is going to approach this on the basis of objectivity and real need. He has already liberated substantially more funds than the previous administration for the north because he cares about the north, I care about the north and this government cares about the north. We care about all of them over there.

2:40 p.m.

**Mr. Grossman:** I want to ask the Premier whether, having described this as "the most insulting brand of politics I can imagine," he is prepared to peruse this affidavit signed by my colleague the member for Rainy River. Take it to the Premier; he is the one sitting next to Edgar Bergen.

Is the Premier prepared to take any action with the Minister of Northern Affairs and Mines—Edgar—and is he going to demand a complete apology or demand his resignation for being involved in "the most disgusting type of politics imaginable"?

**Hon. Mr. Peterson:** I have not seen the affidavit before, very obviously. I am not surprised the member would have to get an affidavit from one of his colleagues. There are a number of people who would listen to what he said only if he swore an affidavit. That is the position he puts himself in.

I have just been conveyed a message that the minister said he was joking. He can stand up in this House and explain the context of that. I accept at face value that my colleague was joking. He happens to be a pretty funny guy sometimes. I have never once in my life in our caucus or cabinet seen him exercise any favour on a partisan basis.

Many conversations and jokes go around this House among all our colleagues. For the 10 years I have been here—

**Mr. Grossman:** Is the Premier going to do anything?

**Mr. Speaker:** Order.

**Hon. Mr. Peterson:** Let me finish. I have seen this House function with good humour and good friendships between all sides, where we joke with each other. I am sure lots of us have joked about that kind of thing in the past. Certainly I have heard ministers in the past, when I was Leader of the Opposition, joke with me in that regard, and I frankly never took them very seriously.

Perhaps the Leader of the Opposition is now setting the rules for a new approach to human relationships in this House; if he is, then he has to take the responsibility for it. But I accept it at face value when my colleague tells me he was joking. If the member does not, that is fair enough.

Interjections.

**Mr. Speaker:** Order. I draw to the members' attention that more than 20 minutes has already elapsed in question period.

#### FIRST-CONTRACT DISPUTES

**Mr. Rae:** I feel like asking the Premier whether he has heard the one about first-contract legislation, but I would like to ask him a question with respect to the letter my colleague the member for Riverdale (Mr. Reville) received from the Canadian Imperial Bank of Commerce.

This member, we understand, is not the only person to have received such a letter. Indeed, pictures were taken of individuals involved in the demonstrations on both days at the Toronto Eaton Centre and at the Yorkdale Shopping Centre, and other individuals have been treated in the same way by the bank. The bank has indicated that people who have participated in these demonstrations will be treated in a like manner.

Does the Premier not feel that this action on the part of a very substantial financial institution in this province represents an assault on freedom of association itself? Would he be prepared to

discuss with the Attorney General (Mr. Scott) the possibility of invoking some kind of charter action against the bank, which would prevent it from abusing its power in this way, not only against members of the Legislature but also against citizens of this province who feel the workers at Visa are entitled to a first contract with their employer?

**Hon. Mr. Peterson:** As soon as I heard the member rise in his place and tell the story to this House, I turned to the Attorney General and asked: "What are the legal ramifications? Is there anything we can do?" He will study the matter. He is as concerned as I am, and if there is any legal remedy I can assure the honourable member we will pursue it.

I share the member's shock, even disbelief. Frankly, I cannot believe that in 1985 this kind of thing would happen at a so-called responsible institution, that it would try to intimidate anyone, as he says, let alone a member of this House. Fortunately, our colleague at least has a platform and a remedy by standing up in this House. I find it even more disturbing that other people were intimidated in this way.

I can assure the member that I will pursue this through my good offices and that the Attorney General will be examining his options and will report to the House as soon as possible.

**Mr. Rae:** In relation to first-contract legislation, the Premier will be aware that correspondence went out from him in April 1985, when he was Leader of the Opposition, indicating the basis of the test that would be applied with respect to the T. Eaton Co. Ltd. strike was that the workers would be able to apply within "a reasonable amount of time;" that would be the test that would be used to give them access to a first contract.

In the statement made today by the Minister of Labour (Mr. Wrye) and in the legislation that is to be tabled, there is an indication that there are a number of other tests the board is going to be expected to apply and that the test of time is not the only test.

Given that it is women workers and workers without bargaining power who are the most vulnerable, I wonder whether the Premier could explain to us why he chose to listen to the powerful interests that wanted to resist access to first-contract legislation, such as the Canadian Imperial Bank of Commerce, the T. Eaton Co. Ltd. and every other large employer that refuses to grant decent working conditions to its employees.



**Hon. Mr. Peterson:** I thank the member very much for his supplementary question and congratulate him on his cunning in working the two together. Let me answer the question. There is no question that this government spent a great deal of time looking at the question of access in first-contract arbitration. There are a number of models, as the member will be aware, from bad faith on the one hand to automatic access on the other hand.

It was our view that we should not imperil the free collective bargaining process and that this should be a remedy in extreme situations. The member is quite right that I was written a letter on April 15 and that I responded to Mrs. Sheila Baron. I said to her in that letter that I believe the Eaton situation is the kind that is excessive and an affront to all of us. Our legislation would prevent that kind of situation in our view and in the view of the legal experts we consulted in this matter.

There are a number of tests one can use, as I am sure the member agrees, and time is one of them. However, we did not feel it was in the interest of the free collective bargaining process to have automatic access or to force a strike to get that access. We think this will maintain the integrity of the collective bargaining process and at the same time afford remedies in extreme situations such as Eaton's.

**Mr. Gillies:** One aspect of this question I want to return to is the circumstances the member for Riverdale (Mr. Reville) found himself in on the picket line. One of the circumstances that surrounds these exchanges and confrontations is some of the security devices available to sides in a dispute. The former Attorney General and the former Minister of Labour moved to remove lie detectors and similar devices from this type of dispute and from the work place.

Would the Premier ask the Attorney General whether, in his consideration of this issue, he would take a look at the other range of devices and activities that take place which cloud the issue on the picket line and make it more acrimonious than it perhaps needs to be?

**Hon. Mr. Peterson:** The answer to the honourable member's question is a very clear "yes." I will discuss the entire matter. As he knows, the Attorney General is very knowledgeable about labour matters, and I will seek his advice on the questions the member raises.

2:50 p.m.

**Mr. Rae:** I only hope that having sought the advice, he may on occasion choose to follow it a little more often than he has.

I assume the Premier is aware that the Visa workers are covered by federal legislation and is aware of all the jurisprudence, federal and provincial, that establishes that tough bargaining is not necessarily bad-faith bargaining. We now have the statement today from the Minister of Labour that a tough bargaining posture may be taken to protect legitimate corporate interests.

Does the Premier not realize that precisely the same legal chicanery which has been used by large employers such as the Canadian Imperial Bank of Commerce to prevent their employees from having access to a first contract can be used, simply on the basis of the reasonable test, to protect a tough bargaining position by an employer? He may be leaving employees in Ontario in the same vulnerable position that the Visa employees are left in today.

**Hon. Mr. Peterson:** It is impossible to predict exactly how the body of jurisprudence will go, but as members know we have put a tight time frame on this. It is not a bad-faith bargaining situation; there is a test of reasonableness. We believe it will correct those excessive situations. I am familiar with the member's view that there should be an automatic access or an automatic right, which I find somewhat in conflict with his general view of supporting free collective bargaining.

What we want to do is make the process work. We want to keep the integrity of the system and to keep them bargaining hard to solve these problems on their own. We believe, on advice we have taken from people who are very knowledgeable in this area, that this will satisfy those ends. That is why we have chosen this route. We think it is sensible. When the member has had an opportunity to see this function in real terms, I am sure he will be satisfied that the excessive cases he has talked about will be caught under this legislation.

**Mr. Rae:** The Premier runs the risk of leaving those who are economically the most vulnerable still the most vulnerable, because he has adopted the language of the jungle and not the language of justice; that is the problem with the position he has taken today.

#### FREE TRADE

**Mr. Rae:** My second question is to the Premier with respect to free trade. Many interesting reports were released yesterday, one of them by Mr. Nef, an American consultant who has been involved in Canada-United States relations for many years. Is the Premier aware of the final sentence in Mr. Nef's report, which says

quite simply and categorically, "Canadian opponents could sabotage the effort"—he is referring to the effort to achieve a comprehensive free trade treaty—"quite easily if they so wished."

The Premier has frequently described his position as Premier of Ontario as the second most powerful position in Canada. Yesterday, he issued a report saying more than 500,000 jobs could be wiped out in sensitive and highly sensitive industries as a result of a comprehensive treaty. He has the statement from one of the American consultants indicating that if powerful interests wanted to have the effect of changing the direction of the federal train, it could very easily be done.

What is the Premier's problem? What is his hesitation in clearly indicating where Ontario stands?

**Hon. Mr. Peterson:** I am not sure we can take this discussion much further than we have in the past, because we have discussed this very issue in this House.

As I have said on many public occasions prior to this, starting at the Premiers' conference, we have those concerns and we have quantified those concerns. When we have talked about the vulnerability of those jobs, I have to be very frank with the honourable member, no one has said they are going to disappear automatically. There could be a dislocation factor that could take them, say, from \$14-an-hour jobs down to \$4-an-hour jobs.

We also have figures from Mr. Kelleher, the federal Minister for International Trade, as he told us in a private briefing, that indicate some 840,000 jobs, seven per cent of the jobs across this country, could be "dislocated." I again point out to the member that a number of these jobs are in tenuous areas anyway, which he has seen with the federal government's move of last week with respect to the footwear quotas. We are again going to be under very serious pressure there, and he knows the competition is coming up.

One of the things we shall have to do is concentrate more on the issue of industrial restructuring and making sure we have a competitive position in this world rather than just seeking the Holy Grail through bilateral free trade talks. I can assure the member that our delegation is extremely well prepared on this issue. It is generally recognized by all that we will be vigilant in protecting our industries.

If the member is asking me just to walk away from the table, shout at them and not talk, I do not think that is the sensible view at this point. However, I can assure him the views he has

expressed—we are perhaps different in the procedure we have in mind, but not that different substantively—will be most helpful, just as are the views of a number of the members in the official opposition. I have studied some of their positions in the past, although they are all over the map at the moment. It would be helpful to me to be able to speak with one voice on behalf of all the people of Ontario.

**Mr. Rae:** If the Premier cannot answer the other question directly, can he answer this one directly? Can he tell us whether in his conversations with Mr. Mulroney, both public and private, he has ever indicated it is the position of the government of Ontario that the government of Canada should simply walk away from a negotiating table where culture and jobs are being threatened? Has he indicated that position directly to Mr. Mulroney? If not, why not?

**Hon. Mr. Peterson:** I said very directly to the Prime Minister the things I have told the members publicly: we are very concerned about this, and here are our exclusions. We think the way this thing has developed is a mistake. We have very strong views on the participation process, and that will go on. The member is very well aware, because it has been discussed, that we have a number of jurisdictional questions. We are not prepared to say to them go ahead and run off and make a decision that is not in Canada's interests.

If out of these discussions a better deal can be made for our steel, cement and timber industries that does not threaten our other industries, then obviously it is in Canada's interests. At this point the frustration from our end on this discussion is that we do not know where the federal government stands. In the absence of any firm positions from them, it is very hard for us. However, the member knows where we stand because I have said this publicly on many occasions.

**Mr. Grossman:** None of us over here knows where the Premier stands on the issue. We are delighted to hear, to use his words, that the Ontario delegation is well prepared. From the briefing books they have prepared for him, from that extensive preparation, can he share with us how many jobs they have deduced free trade may bring to Ontario?

**Hon. Mr. Peterson:** The honourable member just keeps harping, and I think I have answered that question.

**Mr. Morin-Strom:** I would like to find out where the Premier stands on one issue that was brought out quite clearly in one of the documents



issued yesterday. This is in the background report of Dr. Baranson of the Illinois Institute of Technology, which clearly revealed the vulnerability of Canadian branch plants to a free trade agreement. The report stated that free trade will result in the withdrawal of US manufacturing branch plants along with related research and development facilities in Canada.

Will the Premier insist to the Prime Minister that any branch plant industry in which Canadians do not have ownership control over where the jobs and businesses are to be allocated be given exemptions from any discussions on free trade?

**Hon. Mr. Peterson:** Because such a high percentage of our manufacturing areas are foreign-owned, the honourable member is asking for everything to be exempted, and that goes on and on. Obviously, one of the great concerns we have is the fact that we have such a high percentage of foreign-owned companies here. We do not want to see them just withdraw, because they were built here behind tariff barriers.

We are concerned about the issue of exchange rates being on the table as well. The member will be aware as well that there are some who argue that there could be some benefits in the steel question. Only two or three days ago, I met with a number of people from the member's home community who were concerned about the steel issue and who would argue that without exports to the United States, which are under severe pressure right now, his own community could come under increasing pressure.

One of the things we have to do is make sure we get better deals for our exports and at the same time not give away the store, as he was talking about. That is what we are fighting for in a knowledgeable and reasonable way, and I can assure the member there will not be any selloff of Ontario from our point of view.

3 p.m.

#### WORKERS' COMPENSATION BOARD

**Mr. Gillies:** My question is to the Minister of Labour on a new issue. I would like to ask him if he is aware that in the coming year some personnel at the Workers' Compensation Board will receive salary increases of up to 13 per cent?

**Hon. Mr. Wrye:** The answer is no.

**Mr. Gillies:** I suggest that the minister make himself familiar with this. There are a number of disturbing aspects to this question.

The unionized personnel at the WCB recently settled for 5.5 per cent. Most public sector wage increases in the recent past have been in the range of four to five per cent, and yet some of the

management personnel of the WCB will receive increases of up to eight per cent, plus performance increases of an additional five per cent.

I would say to the minister—

**Mr. Speaker:** Question.

**Mr. Gillies:** —furthermore, that in this day of so-called open government, this information was withheld—

**Mr. Speaker:** Order. The question must flow out of the answer. It was a very brief answer; I was hoping for a very brief question.

**Mr. Gillies:** I got such a short answer I was hoping with a long question I would get a long answer.

**Mr. Harris:** Mr. Speaker, on a point of order: We have asked, I do not know whether it is 200 questions or not, and we have not had a single answer, and yet you tell us the supplementary must flow out of the answer. Are you telling us that every supplementary that has been asked since we have been back here is out of order?

**Mr. Speaker:** I remind the member that this is question period, when members may ask ministers questions. They may not ask the Speaker questions. That really is not a point of order; if it were, I would reply.

**Mr. Gillies:** I ask the minister—it is a very simple question—does it seem equitable and fair to the Minister of Labour that the unionized personnel at the WCB settle for 5.5 per cent when some of the management personnel are receiving increases of up to 13 per cent? Does it seem open to the minister that when we requested this information, public information, of the personnel branch of the board, they refused to give it to us?

**Mr. Speaker:** Minister?

**Mr. Gillies:** We know it is a fact. Will the minister investigate this—

**Mr. Speaker:** Order.

**Hon. Mr. Wrye:** I want to tell my friend the former government House leader that I was asked if I knew about it and I said no. It seems to me that is a candid, direct and full answer.

I will look into the entire matter my honourable friend has raised. Having said that, I remind him that we have a new corporate board of which this government and this minister are very proud. As I have indicated on a number of occasions, I would not wish to interfere unnecessarily with the duties and responsibilities of that corporate board.

## REGIONAL ECONOMIC DEVELOPMENT COMMITTEES

**Mr. Ramsay:** I have a question for the Minister of Northern Affairs regarding his announcement yesterday in the north, in which he stated he would set up two regional economic development committees before Christmas—this year, I presume—one in Kirkland Lake and one in Sudbury. Who will be on these committees and how will the selection of these people be carried out?

**Hon. Mr. Fontaine:** Those responsible will be working at it this week. There will be an answer to the honourable member's question next week because we have not finalized. We have heard from Latchford to Hearst and from one council on the old Highway 11 or the old James Bay corridor. Before Christmas we will be looking at Sudbury and Thunder Bay.

**Mr. Speaker:** Supplementary?

**Hon. Mr. Fontaine:** On a point of order, Mr. Speaker: Si j'ai bien compris la question tout à l'heure, il m'a attaqué d'avoir dit à un membre que je lui enlevais un chemin.

What makes me laugh is that I told the member for Rainy River (Mr. Pierce) yesterday I was going to his riding on the sixth. If he was that insulted, why does he tell me he is going to meet me over there, first of all?

Second, last week I spoke to the chamber of commerce in the northwest. Je leur ai dit que j'étais pour aller voir ce chemin-là, the Bending Lake that he is talking about.

Interjection.

**Hon. Mr. Fontaine:** I do not have to excuse myself, because they are talking as a joke over there.

Interjection.

**Hon. Mr. Fontaine:** I am not ashamed. The member should be ashamed himself. He should not talk about that. I do not have to excuse myself. I am going to visit his riding. Bending Lake is in my friend's ministry and he is looking at it too; so the member does not have to worry about that.

**Mr. Ramsay:** To get back to my original question, I heard the comments the minister made on the Canadian Broadcasting Corp. in Sudbury yesterday. He did say Kirkland Lake and Sudbury before Christmas. That is why I am concerned; I had not been informed of what the process would be in selecting the committee members for this. Since my riding is in one of these centres, I was concerned.

I would be interested to hear what the timetable is for bringing in the other economic development committees so we would know that all the communities in the north would be covered by this process.

**Hon. Mr. Fontaine:** My deputy minister and the assistant deputy minister will be in town this week, and we are going to work on this one. I will send the member a letter or I will phone him about what is going to happen.

**Mr. Laughren:** After the fact?

**Hon. Mr. Fontaine:** No, before.

**Mr. Bernier:** In his reply next week, will the minister explain to the House exactly what the function of the regional economic development committees will be and who will make the decisions? Will it be him and his cabinet committee or will it be the regional economic development committees?

**Hon. Mr. Fontaine:** Again I am going to tell my honourable friend the member for Kenora (Mr. Bernier) I will answer that when it is time. It is not time yet.

## PHARMACEUTICAL LEGISLATION

**Mr. Sargent:** I have a question for the Minister of Health with regard to Bill 54, the Ontario Drug Benefit Act, and Bill 55, the Prescription Drug Cost Regulation Act. The 1,900 pharmacies in Ontario are promoting an advertising campaign in which they say are very concerned that these bills will not be going to committee. Will the minister assure the pharmacists of Ontario here and now that the bills will be going to committee and will receive full public disclosure?

**Hon. Mr. Elston:** I thank the honourable member for the question.

Interjections.

**Hon. Mr. Elston:** These people obviously do not care to listen. They do not usually listen; so they obviously do not want to listen.

The member wants to hear that it will be going to committee. I have said to the Ontario Pharmacists' Association and to many people ever since the bill was introduced, and before it was introduced, that the legislation would be going in front of a legislative committee for review.

**Mr. Pope:** Since the minister is now prepared to admit what he would not tell the pharmacists of this province until the Progressive Conservative caucus indicated it was going to committee, why were they talking to him then? Why were they asking for it if he had already promised it? How



often did the minister meet with the Ontario Pharmacists' Association?

3:10 p.m.

**Hon. Mr. Elston:** I want to welcome the member for Cochrane South back to the House. I appreciate that he is visibly shaken by the fact that I am talking with a number of people continuously. I have spoken with the OPA and its district representatives. I have talked to individual pharmacists and independent pharmacists. I have spoken to all those people.

Ever since we have been in a position to look at drafting legislation, I have indicated to those people that there would be an opportunity to review this legislation in front of a legislative committee, as is usually the procedure in this House. Even though those people—

**Mr. Bennett:** After we made a decision for him.

**Hon. Mr. Bradley:** The member for St. Andrew-St. Patrick (Mr. Grossman) was blocked when he tried to put it through.

**Hon. Mr. O'Neil:** That is right. He did not have the guts to put it through.

**Hon. Mr. Bradley:** The then Premier blocked him, did he not?

**Mr. Speaker:** Order.

**Mr. Pope:** On a point of order, Mr. Speaker: The minister made a mistake in his answer. He did not discuss draft legislation with the OPA.

**Mr. Speaker:** Order.

#### COURT RULING

**Ms. Fish:** I have a question for the Attorney General. The Attorney General will be aware, as are all members of this House, of the recent court ruling which is so damaging to rape victims in that the ban that had been in place dealing with the previous history of the plaintiff has been determined to be unconstitutional.

Given the critical importance of that ban in affording an opportunity for women to come forward properly when they have been victims of violent criminal assault, which rape is, will the Attorney General indicate to this House that he will appeal that decision?

**Hon. Mr. Scott:** I am grateful for the question. We are familiar with the two cases the honourable member has referred to and the recent decision of Mr. Justice Galligan of the Supreme Court of Ontario which permitted the evidence to which she refers to be used in the case and remitted the case back to be heard on that basis.

The member probably knows there is a division of judicial opinion in Canada about that issue. Two provincial Courts of Appeal have supported the position taken by Mr. Justice Galligan and two have taken the contrary view. We are currently reviewing the decision. I anticipate there will be an appeal. A decision will be taken within the next few days, and I will be glad to advise the House and the member.

**Ms. Fish:** Until the Attorney General determines what I hope will be a positive decision to appeal, will he advise this House what steps he is taking to ensure that women who are victims of such violent sexual assault will come forward and continue to report these devastating crimes against them and feel confident that they can do so with a full measure of protection from our system of justice rather than being under attack for reporting those very crimes?

**Hon. Mr. Scott:** The member's supplementary question asks us in effect to see what can be done to encourage people to come forward when they are victimized by these crimes and I presume to give evidence in court in support of the crown case.

The practical dilemma is that until the decision is reversed on appeal there is not much we can do to alter the transcript of the process. We cannot amend the Evidence Act to exclude this kind of evidence, and pending a successful appeal it will be open to defence counsel to engage in the kind of questioning that Mr. Justice Galligan contemplated and ruled on.

What we will do in the ministry, however, is give every assistance and assurance to complainants and witnesses in these cases and give them whatever physical and moral assistance we can in their coming forward and giving evidence in court. It will be difficult to go much further than that until the decision is reversed on appeal.

#### FREEDOM OF ASSOCIATION

**Mr. Martel:** I have a question of the Attorney General regarding Allied Heat Treat Ltd., the company I held a press conference about on November 8. Prior to the worker who attended that press conference with me even getting home, the owner of the company attempted to contact him and continued to do so throughout the weekend. On Tuesday of the following week, the company finally got hold of the worker.

Would the minister agree that the following statement constitutes a threat against Mr. Atcha? "We are getting the story here and he is not going to get away with it. In fact, if he ever plans to work in a heat treat anywhere, they might want a

reference. He hasn't much chance of getting it. He has screwed his career as far as we're concerned." Does the minister consider that a threat and will he conduct an investigation, starting with a tape recording I have in my office that Mr. Atcha made when this company phoned him?

**Hon. Mr. Scott:** The honourable member was good enough to speak to me about this matter the other day. I indicated to him, and I now confirm, that if he will drop me a line confirming the details of the conversation, I will be delighted to investigate it. It is not as easy as it might be in ordinary cases to determine whether a criminal offence has been committed, because a criminal offence would be committed only if the threat made was a threat of criminal proceedings as opposed to a threat of civil proceedings. However, I will be glad to review the tape recording and any other material the member has to see what steps, if any, should be taken.

**Mr. Martel:** Since the lawyer for the company called me at my office with some veiled threats about action it might take against me, and since it threatened other action to obtain the file I have concerning the company and the workers who came to see me—I refused to give it that information—can the Attorney General tell us what type of legislation he and the Minister of Labour (Mr. Wrye) can introduce to prevent this type of intimidation of workers who are trying to protect their health and the health of fellow employees in the work place in Ontario?

**Hon. Mr. Scott:** Apart from the provisions of the Occupational Health and Safety Act, about which the Minister of Labour will have to answer, I can tell the member that the Criminal Code provides certain remedies that I have already agreed to investigate in relation to the information my friend has provided.

The rules and privileges of this House, as we have seen as recently as today, provide another remedy if the member himself feels his privileges have been attacked. I get the sense that it would be a courageous employer who would advance on the member with any threat. However, confronted by that challenge, if he wants help from the likes of me, I will be glad to provide it to him.

**Mr. Gillies:** I have to agree with the Attorney General. Woe betide the employer who caught the member for Sudbury East (Mr. Martel) in the wrong mood.

This is the second instance we have heard today where the right of working people to approach their member of the Legislature,

worker advisers, the police or other people who are there to help them has been thrown under a cloud because of the actions of what would appear to be some rather irresponsible people.

Will the Attorney General and the Minister of Labour consider not only the action suggested by the member for Sudbury East but also communicating to both the employers and the union locals of the province the sanctions and rules already in place that protect the right of working people to approach people for assistance?

**Hon. Mr. Scott:** In so far as the privileges of a member are concerned, it will have to be left to all members who are approached by anybody in a way that offends their privileges to bring that matter directly to the attention of the House, as has been done today by the member for Riverdale (Mr. Reville) and the member for Sudbury East.

However, if one is concerned, as the honourable member obviously is, about the rights of an employee who may be importuned by his employer or some other person, the fact is that there are a variety of remedies that may be open to him depending on the precise circumstances. If a threat of criminal proceedings is made against the employee, it may be that a criminal information can be laid. If certain things are said under the Labour Relations Act, there will be another kind of remedy.

It seems to me it would not be useful to try to catalogue the lengthy list of events that might give rise to some civil or criminal charge. Rather, at the relevant time it would be appropriate to tell working people out in the community that if they are dealt with in this fashion, they should immediately see their union representative or their lawyer and get the best advice they can to advance their rights.

3:20 p.m.

#### RED MEAT PLAN

**Mr. Stevenson:** I have a question for the Minister of Agriculture and Food. I would like to address some of the rhetoric he has put in some of his latest statements about his degree of input into tripartite stabilization, but I will refrain from doing that.

Will there be payments to cow-calf operators or any other beef producers, such as backgrounders or stocker producers, in 1985? Will there be payments to cover 100 per cent of the hogs produced in Ontario?

**Hon. Mr. Riddell:** Perhaps the member for Durham-York could help me to ascertain whether that question came from the chief agricultural critic of the Tory party, or did it come from one of



the subordinate critics? I am flattered to have five agricultural critics. The leader should not underestimate his own colleagues. He should have more confidence in his people over there. However, to answer the question, no, the cow-calf operations will not come under the tripartite program for 1985.

**Mr. Wiseman:** Why?

**Hon. Mr. Riddell:** Because we have just established the framework to get a cow-calf program going and for backgrounder cattle for next year; so no. One hundred per cent of the hogs will not be covered. The reason is that the federal Minister of Agriculture is concerned that if we were to cover the export hogs we would be subject to more countervail action than we already have.

However, the way the program is going to work in both the second and third quarters—perhaps a fourth quarter depending on where the price goes—is that the farmers are going to receive probably over 90 per cent of the last five-year current market price, which would be consistent with the existing national stabilization program. They still are going to get an excellent payout, despite the fact it will not cover all the hogs that are marketed.

**Mr. Stevenson:** I would very briefly comment that rural affairs involve a lot more than agriculture. Will future programs of beef marketing and swine development, and future developments of funding the red meat industry in particular, be affected by signing this? A number of producer groups are afraid the minister has signed this agreement handcuffed and blindfolded.

**Hon. Mr. Riddell:** The agreement has not been signed handcuffed and blindfolded by any stretch of the imagination. We have paved the way for a stabilized program in this country, one we have been lacking for some time. We feel that by signing this agreement it will be an enticement for other provinces—the prairie provinces and the Atlantic provinces—to sign. We expect that will likely happen before the end of this year.

With the exception of Quebec and British Columbia, we are hopeful most of the provinces will be enrolled in tripartite. In that case, we shall have put the farmers right across the country on a level playing ground and stopped all the top-loading that has been going on over the past number of years, something members opposite apparently were not able to correct for the number of years they were in government.

## PETITIONS

### ROMAN CATHOLIC SECONDARY SCHOOLS

**Mr. Partington:** I have tabled with the Clerk petitions from 1,026 separate school ratepayers in the riding of Brock in support of Bill 30.

**Mr. Ward:** I have a petition containing several hundred names, which was forwarded to me by Annunciation of our Lord Church in Hamilton. It reads as follows:

“To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario:

“We, the undersigned, petition the government of Ontario regarding the legislation of the separate school system as follows:

“1. That full financial support be given to the school system; and

“2. That the separate school boards be permitted to maintain full control over the discipline and living out of the special Catholic religious character of the school system.”

**Mr. McGuigan:** I have a petition signed by 159 respondents in favour of Bill 30.

## MOTION

### PRIVATE MEMBERS' PUBLIC BUSINESS

Hon. Mr. Nixon moved that Mr. Pollock and Mr. Davis exchange places in the order of precedence for private members' public business and, notwithstanding standing order 64(h), that the requirement for notice with respect to ballot item 11 standing in the name of Mr. Davis be waived.

Motion agreed to.

## INTRODUCTION OF BILLS

### LABOUR RELATIONS AMENDMENT ACT

Hon. Mr. Wrye moved, seconded by Mr. Polsinelli, first reading of Bill 65, An Act to amend the Labour Relations Act.

Motion agreed to.

### BUSINESS CORPORATIONS AMENDMENT ACT

Hon. Mr. Kwinter moved, seconded by Hon. Mr. Van Horne, first reading of Bill 66, An Act to amend the Business Corporations Act, 1982.

Motion agreed to.

3:30 p.m.

**Hon. Mr. Kwinter:** I am pleased to introduce the first reading of the Business Corporations Amendment Act, 1985. The purpose of this legislation is twofold. First, it clarifies the intent

of the existing act through addition and elaboration. Second, it corrects certain anomalies that have resulted in some cases from different interpretations of the wording of the act.

In essence, this bill produces minor house-keeping changes to more than 20 sections of the existing act. Other changes of a more important nature will have an impact on the securities industry, and still others on the business community. Proposed amendments will permit securities dealers in Ontario to control the ownership of their publicly traded shares to the extent necessary to ensure compliance with the rules on ownership set down by the Ontario Securities Commission and the Toronto Stock Exchange.

Other amendments will permit clearing agencies to record transfers and pledges of securities, including those issued by governments or their agencies, by means of computer entries as an alternative to issuing and using securities certificates.

Under the bill brought before the House today, corporations will no longer be required to pay a \$55 fee to register their changes of address. The bill will permit a corporation to change the address of its registered office by special resolution, free of charge, rather than by articles of amendment.

These are only the highlights of the Business Corporations Amendment Act. I urge all members of the House to endorse it.

## ORDERS OF THE DAY

### WELLINGTON COUNTY BOARD OF EDUCATION AND TEACHERS DISPUTE SETTLEMENT ACT

Hon. Mr. Conway moved second reading of Bill 63, An Act respecting the Wellington County Board of Education and Teachers Dispute.

**Hon. Mr. Conway:** I do not have a lengthy opening statement on second reading, simply because I indicated the position of the government in this matter with the introduction of the bill yesterday. Of course, I am most anxious to hear from my learned colleagues across the aisle, and I would simply be anxious to have the benefit of their wisdom on this matter, about which I know there is general concern. I will make some summary comments at the end of the second reading debate.

**Mr. Davis:** I would certainly like to concur with the direction of the government in recommending that the teachers go back to their classrooms for the welfare of students in this province, especially the students in Wellington

county. It is of interest to note that, since the first part of November, members of this party and myself have been very concerned about the welfare of those students. We have constantly asked the minister to intervene; we have asked the Premier (Mr. Peterson) to intervene; and we have asked the Education Relations Commission to hold jeopardy hearings.

Some time on Friday, the commission indicated to the minister that the students in Wellington county were in jeopardy. One could wonder why that recommendation did not come forth a little sooner, understanding that there are very few criteria to decide when a student's welfare is in jeopardy.

We take some exception to the total suggestion of the government party in its recommendation that the mediator's findings should be the agreement. When both parties had finished the mediation, they rejected the mediator's report for a variety of reasons, I have been told. We believe in its present form it is poor legislation, poor labour relations, and that it ignores the essential differences that exist among mediation, fact-finding and arbitration.

I would point out to my learned colleague that there is an essential difference. The role of mediation is to effect a settlement without regard to reasonableness. The role of fact-finding, under the provisions of the School Boards and Teachers Collective Negotiations Act, is to determine the facts of the dispute and make recommendations for a reasonable settlement. The role of arbitration is to make a settlement based on facts, rationale and reason. By ignoring sound labour relations, the previous fact-finder's reports and the arbitration process, the proposed legislation will be imposing an unreasonable settlement on the parties.

One of our greatest fears is that in this process we will undermine and destroy the whole concept of mediation across this province. As I have been led to believe, as my great-great-grandfather once told me, the individual parties go to a mediator and in that process share their total expectations very openly with the mediator. That is confidential.

In the government's proposed legislation, what now can happen is that parties will no longer be that open. They will be very reserved and will protect the issues they wish to put on the table for discussion. In effect, what happens is we destroy the credibility of mediation, not only in the labour disputes we find in the teachers' collective agreement but also in all labour negotiations across this province.



Second, a concern we have is that we will be setting a precedent, that we will be able to look back and say: "The strike in Wellington was settled this way; therefore, mediation now will become the be-all and end-all of settlements." We eliminate the public interest in those debates, in those concerns. As I understand Bill 100 in my limited knowledge of it, the process that should be followed when the teachers are ordered back to work is that they should move to binding arbitration with an opportunity for both parties to discuss the unresolved issues and to discuss why they believe their position is valid and should be included in the new agreement.

Anything less than that type of discussion and opportunity for the groups affected also destroys public opportunities and interests, and deals are made in secrecy. It seems to me the process Bill 100 outlines should now be enacted. If the government feels it is not a correct process to follow, it could move to a review of the totality of Bill 100. The government's suggestion is short-sighted and insensitive to all people who have concerns with respect to the process of negotiations.

I emphasize again it is the position of my party that we first and foremost have the interest of students as the basis of our concerns. We believed they were in jeopardy well over a month ago. There is nothing in Bill 100 that affords a board, a student, parents and even teachers input whereby they can say, "The students' educational year now is threatened and in jeopardy."

It is all very well to sit and say students are resilient, can adjust and cope. As to whether there is research that shows the students affected still continue on to university and become achievers, if I am correct in my understanding one needs to point out to my learned and concerned colleagues in this House that 70 per cent of students in this province do not go on to universities and colleges; 70 per cent of students move into the work force.

**3:40 p.m.**

In effect, as the student who now is struggling to achieve passing grades moves through his educational years, he will probably continue to struggle. Those students are now at risk. The ground rules are laid for that individual student who in grade 9 takes the basis of geometry and does not pick that subject matter up again until grade 12. That student is at risk, especially if he is a student who experiences difficulty in the process of learning.

I would like to come back to the suggestion of the government that the mediator's proposal

should be the agreement. That suggestion moves away from the whole issue of fairness and justice for both parties. There needs to be an opportunity for those groups and their representatives to articulate their case and their concerns before an impartial arbitrator who then makes a ruling, taking into account the concerns they have all expressed to him.

I have deep concern that this precedent could affect other areas of labour negotiations in this province. There is nothing I am aware of that prevents a government in power to order individuals or groups of people back to work. It would be a sham for those numbers of individuals in this House, within the labour movement and within the teacher groups, those people who have struggled over the centuries to develop what they believe are fair and just negotiated processes, to have those processes removed very quickly on an arbitrary decision of this government to effect a settlement. The effect of that settlement is to ignore the concerns of both groups who have already turned down the mediator's recommendation.

The government is again showing and indicating its insensitivity to people and the citizens of this province.

As one goes through the normal process, the government by this kind of mandate is being unsympathetic to the parties involved. I want to tell members the stories about those communities. One of the things we forget is that teacher strikes across the province do not affect only the teachers. It is a very difficult thing for a teacher to become a person who withdraws his or her service to students. Teachers are professionals. Teachers have a great deal of compassion and care for the young people they work with.

Teachers in this province have gone out of their way, in situations where there have been impasses, to continue to deliver extracurricular activities. They have continued to afford young students opportunities of learning. Before teachers move to withdraw their services, they seriously consider the impact that is going to have upon them as individuals, upon their total profession and upon their relationships within the community in which they live.

Teachers and communities are affected by strikes. What happens is that communities draw lines. I am not for one minute suggesting that we ever take away the right of teachers to strike. That is an important right they have under the whole process of collective bargaining. It would be wrong to ever suggest that such is the position of the Progressive Conservative Party or my

position. In years gone by it may have been my position. All I am saying is that when teachers withdraw their services there is hurt within a community; parents against teachers, families against families, students upset.

It is interesting to note there are a number of admissions in the local hospitals in Wellington county that doctors are describing as a syndrome caused by students not being in school and trying to adjust to a kind of vacuum they are in, with deep concerns and fears about the future of their education, especially those in grades 12 and 13 who will be moving on to community colleges and universities.

It is all well and good for the government to suggest that we are going to speak to the universities and the colleges to incorporate these youngsters into their system. When a student is on a semestered program and loses more than half his school year, he will experience difficulty as he progresses in his education.

Students are affected by strikes. Their relationships with teachers are rent asunder. There is a trust relationship that is threatened. It is incumbent upon this Legislature to ensure, as we continue to examine, review and look at Bill 100 and look at the strikes that occur across this province, always to bear in mind that we have indeed a very heavy responsibility for the welfare of the young people of this province. We also have a deep compassion and concern for the rights of teachers and school boards and the process of negotiations.

I want to point out again as strongly as I can that we support the proposed legislation of the present government to order the teachers back into the classrooms, and we do so because of the wellbeing of students. But we have grave concern over the continuation of that legislation, in which it recommends that the mediator's proposal become the agreement.

For the first time in history, I believe—I could be wrong and I stand to be corrected—a government in this province is not only legislating teachers or a group who are on strike back to work, be they teachers or any other body; it is also legislating the agreement. That has never happened before.

That is a bad precedent for this government to establish; a government, I would like to remind my honoured colleagues, that has advocated a sense of openness, justice and fairness as the foundation stone of this new government. I dare say the openness, the justice and the fairness are certainly in question when one moves away from the traditional model of negotiation and enforces

an agreement that, in the middle of the month, neither party wanted.

I would like to indicate that we will be moving an amendment. In that amendment we will support the immediate return of teachers to the classroom. We are prepared to sit here all day and all night to debate the bill to get it through for the wellbeing of students in the province. Our amendment will be that those items to which both parties have agreed will immediately come into effect as part of the collective agreement that will be forthcoming, and those issues that have not been agreed to—and I am not aware of them all; I am aware of a few of them, such as salaries and staffing—will then be submitted immediately to binding arbitration. We will ask the Education Relations Commission, through the minister, to appoint an arbitrator as soon as possible and we will follow the process outlined in Bill 100.

We believe this is the fairest and the most just way to go. We believe that in the process of labour negotiation across this province it is the correct way to go. When this motion moves to committee of the whole House, we will make other remarks with respect to this issue.

**3:50 p.m.**

**Mr. Allen:** I rise to address the bill before us, An Act respecting the Wellington County Board of Education and Teachers Dispute, that the minister laid before the House yesterday. We are proceeding with second reading today, which presumably is a discussion in principle of the bill.

I want to say at the outset that I am rising to speak against the legislation both because it legislates a return to work, which we find is inimical to the whole process of free collective bargaining, and because it legislates the terms of reference of a contract.

This strike we are addressing today is obviously a troubling one. It has troubled all members of this House. The contract negotiations began 21 months ago. Throughout that period there have been numerous opportunities for both sides to resolve the dispute. I am sure all of us wish they had taken any one of those opportunities to find the common ground that is there and to resolve their differences in a way that would not have led us to this point.

The 582 teachers who are involved in this strike—and I hate to use the term that is sometimes used, “teachers’ strike.” I prefer to use the phrase “a dispute in the education sector” or some such phrase. We all know when it comes to such an event as a strike, it is not fair to lay the burden of that event upon one party to a dispute. It is precisely because that burden has been laid



historically on one party to a dispute, not only in the education sector but also in other economic sectors, that the workers in trade unions who take this course are the ones who usually come in for the heaviest flak and publicity. They are the ones whose names constantly recur with reference to the dispute, thus prejudicing the whole issue in the public mind. I do not want to use that language; rather I want to talk about a labour dispute in the education sector whenever I speak of a dispute of this kind.

The 582 teachers clearly are a body of professionals who have functioned in most cases year in and year out in the classroom in ways that have been broadly approved and appreciated by their community. One would find very few people in Wellington county who might dispute that fact. Nor would one find many of the students who now find themselves suffering under this dispute holding the view that the teachers had in any way served them badly over the years.

It is the more regrettable and tragic that we have come to a time like this in the course of a difficult and protracted period of negotiation when, while there are undoubtedly faults on both sides, there has been a remarkably intractable board at work which I believe has felt the judgement in the recent election that took place in that county.

I do not want to minimize in any respect the tragedy of the situation that overtakes a community when a strike of this nature occurs. When we begin to get polarization, such as the kind of upset in families the honourable member just referred to, that leads to symptoms that are more than just passing notes of distress. In a family situation, they quite possibly have a reflection on one's health itself, usually being laid upon the other burdens of life most of us carry in one way or another. Every dispute, every issue and every controversy that arises close to one's family exaggerates those symptoms.

The human dimension of a strike is very present to us all and certainly no less to those of us in this party. When we debated this issue in the guise of an emergency debate, I referred to the fact that there had been a relatively protracted dispute recently in my own community of Hamilton.

In that dispute, I know how upset families that I know well were over an event that had not nearly the proportions of this one, as it was substantially broken up by the summer holiday period. In the midst of that dispute, I found it was possible to speak with the parties in question

quietly and insistently, to make arguments and points and in some respect to affect the course of the dispute, as on one occasion my colleague the member for Hamilton Mountain (Mr. Charlton) and I did.

I was upset to learn that the member for Wellington South (Mr. Ferraro), who unfortunately is not in the chamber at the moment, has for many weeks been referring to the likelihood that his government would soon be intervening in the dispute to bring it to an end. That is the worst course of action any of us in this chamber can take in these circumstances.

It communicates to the parties in dispute that they can relax their efforts somewhat, that they can hold out a little longer against this or that point in the bargaining process, that they can delay, and that at the end of the day they will find the government will come to their rescue and they will be forced into a compulsory arbitration situation that has all sorts of downsides to it. I will come back to that later.

When a member constantly makes the point in his own community when a strike is happening that intervention will happen, he inevitably delays the dispute and brings on that intervention almost as a foregone conclusion, unfortunate though that intervention is in all our minds.

The Bill 100 process has been followed meticulously. One of the good things about disputes in the education sector is that there is such a well worked out procedure in the legislation and that the legislation allows for several points at which the parties may break out of any locked-in position in which they may have found themselves.

It provides for fact-finding and for mediation, and mediation has been going on in this case ever since last May. It provides for the ongoing monitoring of the dispute by the Education Relations Commission so a third party may bring its judgement as to whether students are in jeopardy. As of last Friday, that determination was made. The legislation does not require that the ERC make that judgement in any particular form or format. It does not require hearings or submissions. It can make that judgement on its own. Of course, it frequently does receive submissions and it can hold hearings.

#### 4 p.m.

In this case, it received submissions to that effect, not only days but also weeks ago. Among them, in the course of time, was the board's. At that point, the commission decided the students' careers were not in jeopardy. On Friday, it so judged, and it did so appropriately. In my

estimation, they are probably right. In arguing the case with respect to this bill, I do not think anyone in this party would want to seriously deny that point.

It is obvious that a strike such as this has a much more severe impact on students who are in a semestered program than on those who are in a year-long program, which provides more flexibility for making up the work and the time that has been lost. These students are in a semestered program and, therefore, they are substantially vulnerable. None of us is concerned to argue it otherwise.

There are many people who are telling us that, given the circumstances of Wellington county and given this strike, we need to have substantial changes to the legislation under which disputes in the education sector are governed. I want to comment in that regard, because under Bill 100 the record of disputes in the education sector has been remarkably good in the years since the bill came into existence when contrasted with prior years.

For example, in the three years prior to the passage of Bill 100, there were 28 disputes; in the four years immediately following, there were 18. In total, in all the years that have passed, there have been hardly more strikes since the passage of that legislation than there were in the three or four years preceding.

The lengths of the disputes have been on average 21 to 23 days; they have not been prolonged events during those years. Only the occasional strike has gone the length of the Sudbury strike, for example, which went to 56 days, and this one, which now ties for the second-place record with another strike at 51 days.

We would be ill advised to use this occasion to attempt to substantially modify the processes laid down under Bill 100. When such proposals were made in the period 1979-80, a commission was established, headed by Mr. Matthews. He and his group concluded that Bill 100 has substantially "improved the collective bargaining process and reduced the level of conflict between teachers and boards." That would be the judgement of most of us with respect to disputes in the education sector.

We should reject those counsels at this point and look rather to doing what we can in local communities, through our professional organizations and trustees' organizations, to see that the postures and positions we adopt are conducive to dispute resolution.

We in this Legislature, including the Treasurer (Mr. Nixon) and the Minister of Education (Mr.

Conway), need to look as well at the issues that hang around most of these disputes, which are fundamentally financial and fiscal in nature.

One of the problems we have had in the education sector is the impact of restraint legislation, for example, upon the collective bargaining procedures in the educational community as elsewhere in the public sector. Some of the disputes we have at the moment arise out of that and the constraints that were laid down in the course of the restraint legislation, Bill 179, and later Bill 111.

Clearly, funding levels are critically important to the whole question of dispute resolution. We cannot expect boards that have teachers who are moving up on salary grids and boards that are trying to meet nonsalary costs whose indexes are higher than the cost-of-living index to be put in the position where they are constantly struggling with above-inflation demands and trying to meet them from below-inflation funding.

That has been the record in recent years, and that continues to be the record as of the last budget we have seen in this House. Notwithstanding the 5.4 per cent, which has some accommodations in it, when we look at it carefully it does not reach beyond the inflation level in all critical particulars.

With those words in mind and those circumstances that we all need to ponder and reflect upon as we address this situation, with respect to the bill itself and what it intends to accomplish, this party will be happy to see teachers back at work in the classrooms tomorrow morning; this party will be happy to see students back at their desks learning and making up for lost time.

This party would not be unhappy with the solution that has been proposed by the mediator. I have looked at the document and gone through it as carefully as I could in the short time I have had it in my hands. It seems to me to be an intelligent, sensible and balanced position, one that lies between the two positions. Sometimes it looks ahead to a further study of an issue or two to resolve them better the next time round, but on the whole it is a good solution.

I am not opposed to the teachers being back tomorrow morning, I am not opposed to the students being back tomorrow morning and I am not opposed to the precise resolution of the dispute that Mr. Bernstein offered a week and a half ago, which was in significant measure somewhere within the ball park of the teachers' objectives but which, being repudiated by the board, was then repudiated by them. While



accepting that as a basis of solution, I stand to oppose the bill.

It appears to me and to our party that in the midst of these debates it is critical that somebody stands up and gives voice to the central importance of the free collective bargaining process and gives voice to the many workers who in the course of time, disadvantaged as they are so frequently in the collective bargaining process, have found themselves legislated back to work and in the end disadvantaged in the process.

**4:10 p.m.**

While we are debating this bill in principle, I want to register my objection to it on the ground of principle. The principle is one that lies at the basis of a free and democratic society. If there is one essential that is necessary in our society to the maintenance of all the rights of association and freedom of expression, it is the freedom that lies around the whole process of bargaining for one's wage, bargaining for the support that maintains one's life, bargaining for those conditions and relationships that will pertain in the work place where most of spend most of our waking hours.

It is those freedoms we must stand by and we must guard and treasure as long as we have breath. That is why this party has so insistently taken the stand it has with respect to legislation, whenever it has come before this House, that would force workers back to work against their will or even, in the course of a recent case, force them back to work before they even leave their jobs to strike.

Therefore, I want to conclude my remarks simply by underlining the principle which I think is so important in the background of this dispute and which we want to emphasize as strongly as we can.

**Mr. J. M. Johnson:** I would like to speak in support of Bill 63 and the amendments proposed by my colleague the member for Scarborough Centre (Mr. Davis).

I support the concept that we, as legislators, are doing something finally to bring about a long-overdue solution to this strike. I am relieved it will soon be over. I personally want it to be finalized tonight and the students back in the classrooms on Thursday of this week.

I am bit concerned about the comments of the member for Hamilton West (Mr. Allen). He spoke very eloquently in favour of the collective bargaining process. We have many people who could stand in support of the teachers and boards and their rights, but very few expressed much concern about the future of our young people.

We talk about the principle on which the teachers and board have stood for 52 days and could not resolve their issues. They both felt they had very strong positions to uphold. I wonder who would stand on the principle of guaranteeing the students of this province a right to an education. I think that is a responsibility we have, as members of this Legislature.

I would like to make reference to Hansard of November 22. I was a bit concerned about the comments of the Premier in reply to a question from the member for Wellington South. The member is quoted as saying, "We are going to do nothing but continue with the charade going on with the ERC." I compliment him on the remarks because I share the same concerns. I hope I can say I shared them.

However, the Premier in response—I will just take one section—says, "We could spend the entire time of this Legislature solving labour-management problems or we can leave the decisions where they correctly belong." I am concerned with that comment. This is not a matter that can be settled at the local level; it is something that is a responsibility of this Legislature.

The Premier went on in that comment to say, "It is a local situation and it is a local responsibility, not ours." I feel it is this Legislature's responsibility. When the two sides in this dispute, the teachers and their board, cannot come to an agreement, then surely it is the responsibility of the Minister of Education and the Premier to become involved before the students lose their year.

The question always implies: "At what time do they lose a year? When is it in jeopardy?" I do not think anyone has the ability to say it is a certain number of days, because in every instance it depends on the individual students and how they can accept a loss of any amount of time.

I feel it is fully irresponsible for us to allow a strike to go on to the point that it is in the 52nd, 53rd or 54th day before it is resolved, especially in a semester system that affects 4,200 students, and not say it has jeopardized the education of a large number of them.

I personally have talked to many students who have told me they are not going back to school; they are disillusioned with the whole process; they are quitting school and many of them will never return. We have failed those students, and we have a responsibility in this House not to allow it to happen, but we do.

A few days ago, the member for Wellington South very eloquently expressed the deep sense

of loss and despair in his community, and the same prevails throughout my section of Wellington north; it has torn the community apart. Many teachers tell me their friends no longer speak to them; they have relatives who are deeply concerned about the issues.

Small communities feel this more than cities. All our communities, such as Mount Forest, Fergus, Palmerston and Erin, are suffering this social breakdown as well as the loss to the students. It is an extremely emotional issue. It is unfortunate it has to happen. We have a responsibility to try to make changes.

I am pleased the minister has brought this legislation forward, even at this late date. If I were not such a nonpolitical person, I would take credit for the emergency debate last week forcing him into this situation. Setting politics aside, together we should be able to solve this problem, hopefully tonight—in fact, not hopefully; I hope we do not leave this place without a settlement unless the board and the teachers have the good sense to settle it themselves.

I would like to read a press release dated and sent out October 17. I will refer to it later, so I would like to read it into the record.

"In the face of the continuing teachers' strike in his riding, Jack Johnson, MPP for Wellington-Dufferin-Peel, today called the Education minister to establish an all-party committee to review Bill 100. Ten years have passed since Bill 100 was introduced and it is high time for a review of the effect it is having on the students' rights to education in this province. The teachers' strike in Wellington county has dragged on for months, and for the sake of our young people it must be resolved and a recurrence prevented.

"I recognize Bill 100 gives teachers the right to strike, but the Education Act of this province guarantees students the right to an education. These young people, who have been taught to believe in our school system and the critical role it plays in their career aspirations, are now being used as pawns in a costly game of chess. I have to wonder if students' rights, as guaranteed under the new Charter of Rights and Freedoms, are not perhaps being violated. It is my conviction that responsible time frames should be established to ensure good-faith bargaining on both sides in this type of dispute. Students should not have to pay for the inability of adults to reach a mutually agreeable settlement."

When we talk about the collective bargaining process, I have a great deal of difficulty relating a teachers' strike to the collective bargaining process which prevails in the labour market. I can

understand workers striking, if they are making washing machines or cars or something of this nature; it is a matter between labour and management. If they stay out too long, they suffer. The workers stand the chance of losing their jobs. The company stands a chance of going out of business. That is fair. I do not mind that. Each side has an opportunity to make its decision.

**4:20 p.m.**

It bothers me when we bring in the third party. In the teachers' strike, the teachers are guaranteed their jobs, no matter how long the strike goes on, and there is no loss of income—sorry; there is a loss of income but there is no loss of a job. The board members pay a very small price. In this last instance, some of them suffered a defeat at the polls. They paid that price. Ordinarily, neither the teachers nor the board pay the same price as they would in another type of labour negotiation. In this instance, instead of washing machines, televisions and cars, kids are involved, students. They are the ones who are paying the price, and every strike is heading into that class which does not have the means to protect itself. To me, that is totally unfair.

I have just one other comment to make, and it is just to emphasize the deep despair the people in my riding have experienced in the past 52 days. It is an extremely unfortunate price we have to pay for a system that could indeed be changed in some way so as not to put these people through the terrible agony they have had. It is the 11th week, nearly three months since the schools were closed, and it is extremely unfortunate. In my home town of Mount Forest a year ago, we fought the problem of a school closure, and within a year we have schools closed because of a strike. It seems an impossible situation.

I have one last shot to the minister. On behalf of my constituents, especially the young people of Wellington, I demand that he give consideration to reviewing Bill 100 and the Matthews report in the hope of making amendments that will better protect the rights of the students of this province.

**Mr. Grande:** I am happy to participate in this debate on Bill 63, An Act respecting the Wellington County Board of Education and Teachers Dispute. I am happy because I can be here to speak, but I am very sad at the fact that this debate is going on.

I am sad in the sense that we in this province have to legislate teachers or workers back to work. I want to say at the outset that I and this party, as the Education critic has said, will be



voting against this legislation because we firmly believe that back-to-work legislation is wrong.

It is wrong because it does not take into account the two parties that are trying to effect a local contract and, I say to the member who just finished speaking, it is wrong because it does not take into account the educational process or the needs of those students about whom he is talking so much.

Let me tell him at the outset, before he or somebody else from his caucus gets up to speak on this, that this party is very deeply concerned about the students in the education system. This party and I, as a former Education critic for this party, fought tooth and nail with the previous government because of the way it treated, not only teachers but also students and parents in the education system during the past 10 years in this province.

This party does not need any lectures, with all respect to the member, whom I have known for several years and who I think is a very nice fellow. However, I must say that, with the kind of speech he just made two minutes ago, he is not doing any service whatsoever to the quality of education in this province, to the quality of education to which I am sure all members of this Legislature on all three sides are committed.

The final process of our education system is the delivery of education services to our children, to our youngsters and to our adults so they can then pick up the reins of this society and carry society on from where we will be leaving it.

**Mr. J. M. Johnson:** What has the member done for the 8,200 kids in Wellington?

**Mr. Grande:** I will come to that with respect to what we have done.

All the members of this Legislature speak with the sincerity and the commitment they have had to the educational system in this province for a very long time. I am not any different in that respect. When we talk about the concerns of students, the concerns for their courses, the quality of education and the concern that the possibility exists—the Education Relations Commission has said the possibility is real—that they will be losing their year and their courses, the members of this party are deeply concerned about that and deeply committed to ensuring that does not take place.

The back-to-work legislation, however, is wrong. I will say that to the members and I will say that to the minister when he comes into the Legislature. I am sure he is here. There he is. Back-to-work legislation is not right legislation for this province. It is not right because, in the

words of the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson), one breaks the trust that exists in the educational system among teachers, students and parents in our community. We have that holy trinity, to borrow a religious phrase. Unless it works well and works together, no education can continue and no proper education will exist.

**Mr. J. M. Johnson:** It does not work.

**Mr. Grande:** The member says it does not work. Let me remind him that it was his party in government that brought in Bill 100. It was his party in government that refused to do anything or bring in any legislation as a result of the Matthews commission report.

**Mr. J. M. Johnson:** That is why we are going to change it.

**Mr. Grande:** The member is going to change it now in opposition. When he had his chance, he did not do it. Now he wants to do it.

I do not intend to get into a cross-fire with my friends on the extreme right in Ontario. I am interested in saying something to the Minister of Education—I am sure he is listening carefully to this—and to the member for Wellington South, who I understand has been under intense pressure in the last little while by way of telephone calls and letters as a result of the dispute that has taken place in his particular riding. I can understand that.

There is one thing, however, which I do not understand or at least I do not appreciate very much, about a back-bench member of the government. While each one of us is free to talk about our opinions in our communities, the Minister of Education should have spoken to the member for Wellington South about appreciating the position of the government, which, as far as I am concerned, was enunciated correctly and fairly through the minister, that is, that we insist that a local settlement be effected no matter where the dispute may be in Ontario.

**4:30 p.m.**

I am not going to bring forth the other disputes the present Minister of Education and I have had in this province from the time we have been in this Legislature. We have gone through the Sudbury and the Leeds and Grenville disputes and other disputes. At any given time, even the former Minister of Education twice or three times removed, Tom Wells, was insistent that a collective bargain and a local settlement had to be reached. I applauded Tom Wells because I thought that was the correct course.

If we keep on bailing out the teachers and the boards by bringing in back-to-work legislation, the next time there is a dispute we will have to bail them out again. I am not talking in opposition to boards or teachers, but they have a concern and they should settle their own disputes. They should do it for the benefit of the students we are all concerned about and the educational programs of those students.

I hoped the minister might have communicated to the member for Wellington South long before this the position the government is going to take in regard to this dispute. Unfortunately, that member and other members from the other party began to stoke the fires of dissension, making a local collective bargaining contract almost impossible to attain.

As my leader once said to the Premier of this province, sometimes it is good to keep one's mouth shut about these things and to let the people deal with the matters before them in a free collective fashion, as opposed to having those people expect that somehow the mighty hand of the provincial government will come down and solve their problem.

After we are through with this bill, while the teachers will be back to work and the students will be back in the classroom, a little bit of the relationship I consider to be of utmost importance in the educational process will be lost. The minister knows it, I know it and I hope some of the members of the other party will begin to appreciate and understand it. As the member for York Mills (Miss Stephenson), who was Minister of Education before the present minister, was fond of saying, the quality of education is directly dependent upon the quality of the teaching profession. On that point I agree with her.

A teacher is central to that educational process. We can force teachers back to work, and obviously we will be forcing the teachers back to work, but we cannot force teachers to deliver good educational services in the classroom. We cannot do it by back-to-work legislation. We can do it by saying to them: "Get busy, develop a contract, settle this. It is your responsibility." The Minister of Education should give as much encouragement and the resources of his good offices as will make sure that a local situation is effected.

**Mr. Runciman:** No time limits.

**Mr. Grande:** My friends on the other side of the House can scream all they want. They will remain marginal henceforth to the politics of Ontario for a long time.

**Mr. Runciman:** The New Democrats are going to disappear. They are going off the edge.

**Mr. Grande:** While we all know the present legislation in the province that deals with collective bargaining and educational business in education is good legislation, it may need a little change here and there, but we do that every four or five years. We take a look and decide changes are required. None the less, that process works well.

It has worked ever since 1975 and it can continue to work, provided the goodwill of the people in this parliament and every member elected will allow local situations to work themselves out without calling every day in this Legislature, either in question period or by going through their communities inciting people, for back-to-work legislation. This will not serve the purpose of students or parents and definitely not that of teachers. Hence, it will not serve the purpose of quality education in Ontario.

**Mr. Haggerty:** I want to address myself to Bill 63, An Act respecting the Wellington County Board of Education and Teachers Dispute. I have been listening with intent to the critic from the Conservative Party, the member for Scarborough Centre, and the one from the New Democratic Party, the member for Hamilton West.

It was rather difficult to follow. They both wanted the strike settled. They did not want binding arbitration. They wanted the students and teachers back in the classrooms. I do not know how else we are going to get them back in either of those areas after negotiating for some 21 months and almost three months out on strike. If that does not tell me there is an impasse in negotiations, then I do not know what is.

I had experience on a strike issue, looking at it from management's side and being a union representative, the chief steward. When there is an impasse, it is something both parties have to consider. I worked in one of the largest fabricating plants in Port Colborne. We built steamship vessels and did major marine repair work. That strike lasted about four or five months. We returned to work and, about four months down the road, the plant closed because of the strike. If we had had legislation such as today's that industry would still continue to operate and there probably would be 300 to 400 persons employed now.

When there is an impasse—and I believe on three or four occasions we have had to deal with college teachers' strikes—this Legislature has had to be called in to be the negotiator or the special



body to resolve all the areas of dispute. I feel, as does the member who has just spoken, that often this Legislature is used for the purpose of resolving a long-standing strike issue. It should not be that way. If they cannot find a solution through the normal negotiation process, then government must respond.

Some may be critical of the member for Wellington South, who was saying the strike must be settled. When I was sitting on that side over there, or even on this one, when there was a teachers' strike in any of the communities in Ontario, members stood up asking the Minister of Education to do something, we cannot jeopardize the education system in Ontario.

The two critics who spoke talked about the teachers' rights. The teachers do have rights, but surely under the new Charter of Rights and Freedoms, students have rights too. They should have a right to an education system and their education needs for that school term. It should not be disrupted for a period of three months, 49 days or 55 days. I think it has been one of the longest ones. Surely those students have that right. Is it not a form of discrimination that they cannot continue in the educational system in Ontario? Should we not be looking to make some changes to Bill 100 so these events do not take place?

#### 4:40 p.m.

All members receive letters from students or parents who are not happy with the educational system. When a student misses even two or three weeks of high school or secondary school, which could be caused through illness, it takes quite a bit of work to catch up. Three months or 49 teaching days is a long period for youngsters to catch up on. Many of them will not catch up on their educational needs. Some will call it quits.

Teachers have rights. Students should have rights. Do not parents have rights, too, under the new Charter of Rights, equality of rights before the law now and after?

After three months out of school, we never see school boards go back to the taxpayers, who pay the biggest shot, to say, "You are going to get a refund on your taxes this year because your children have been out of school for three months or 49 teaching days." Nobody talks about that. Should there not be reimbursement for tax money that should have been providing an education?

I have sat here and watched what has taken place over the years. I have a private member's bill, Bill 10, An Act to amend the Labour Relations Act. The intent of the bill is in an amendment that would bring in a special

arbitrator to try for 30 days to negotiate an agreement, saying, "This is the final stage or final offer."

It is tough for the minister to move in this area. My bill says, "The purpose of the bill is to provide a mechanism whereby the Lieutenant Governor in Council can order a 60-day suspension"—this is a 30-day suspension—"of a strike or lockout and order a return to work where a strike or lockout constitutes an immediate or serious danger to life, health or safety"—we could put in "the educational requirements of our students"—"or seriously disrupts the economy of the province or any area of the province."

It brings in a cooling-off period where a conciliation officer, the best one can find in the province, can sit down and get the parties to work.

If the government of the day, and I suggested this to the previous government, wants to be up to date on resolving labour disputes, this is the area we are going to have to take a look at because it gives the minister a little clout. It is not used very often. It is taken from US legislation. The federal government has never had to use it to date. However, it is there. This can be proclaimed at any time by the minister or the Lieutenant Governor. It is good. It has worked very effectively in the United States. It has been justified by some fair wage settlements. There are faults in Bill 100 and there have to be some improvements in that area.

One member talked about establishing a committee. I think it would be wise for this Legislature to have a select committee on education to continue to look at the public school system in Ontario because there are many problems that need to be resolved. The government is going to have to respond to some of those issues.

The public school system may well be destroyed unless we set up a committee to deal with the issues. There are concerned citizens and concerned parents in this province who want to see drastic changes made in the public school system in Ontario. We should not go about it by the strike method currently available through Bill 100. I do not like to remove the right to strike from anybody, but when an impasse occurs a third party has to step in and I regret it has to be the Ontario Legislature every time.

There are many who say: "We can take the hard line of bargaining in negotiating for a new settlement. We do not have to worry about it too much and we can prolong it for two years, three years, 21 months or whatever. We know there is

a third party out there that is going to step into the picture and resolve it for us." The Legislature should not be used for that purpose.

I have to support the bill because I have more concern for the students than I do for the teachers or for the school board. We have a responsibility here in the Legislature to see that our children in Ontario can continue with a good education program that is not going to jeopardize their school term.

**Mr. Jackson:** I too would like to join the debate on this very important bill. I would like to compliment the minister, not on his timing but certainly on the intent of the bill before us.

Like all members of this House, I was not very surprised to hear the minister make that announcement on Monday, November 25, given the comments made by the new member for Wellington South the previous Friday.

I have watched with interest the development of our new Minister of Education in Ontario. He is a learned, veteran member, but he is a new and learning minister. I have had the pleasure of watching his performance as a member of the standing committee on social development and I have enjoyed his company in many centres around the province in Bill 30 hearings.

Those of us who had a very modest background in education cannot avoid an opportunity such as this to rate or even mark the minister with respect to his performance to date and, more important, his performance on this bill. Although some people would rate us from one to 10 or whatever, we in education tend to refer to a report card. I want to assure the Minister of Education that the A the Minister of Revenue (Mr. Nixon) lost two weeks ago has not found its way on to his report card, given his conduct with this bill. I will give an A to the member for Wellington South for his theatrical performance on Friday last, so his caucus is not completely without good marks in its performance on this bill.

In referring to this bill, I wish to talk about what has motivated the minister to come to this piece of legislation. This is very important, given that we will see why he has taken the unusual course of avoiding the track that Bill 100 clearly sets for him in going to binding arbitration. Instead, he has chosen to go the mediator's route.

I found very interesting his comments in this House that the commission delivered to him "an advisement" regarding this Wellington dispute. That puzzled me until I read further his comments in which he states very clearly, and he quotes the Education Relations Commission, "In summary, it is our opinion that the continuance

of the strike with no reasonable prospect for a negotiated settlement will place in jeopardy the successful completion of courses of study for the students of Wellington county."

That puzzled me because I thought the minister had finally come to the conclusion, as I am sure his ministry staff had, that the students in Wellington county were indeed in jeopardy. Apparently, that was not his motivation in bringing this bill before us. One has to ask what that motivation was if it was not to save the academic year, especially for those students on semester. Was it a political response? Perhaps we will never know.

**4:50 p.m.**

He goes on to refer to this as a fair proposal, this being the mediator's proposal. That confuses this piece of legislation even more. Why would it be a fair proposal? Why, if the ERC appointed the fact-finder, would his findings not be considered a fair proposal? Who went through the selection process in deciding this legislation? What was to be fair? Was it the ERC-appointed fact-finder or was it, conveniently by his choice, the ERC-appointed mediator?

It has raised considerable confusion about the minister's approach to this very important and delicate piece of legislation. Clearly, he has not earned the A for which he so ardently strives.

Again he refers to the ERC, that this proposal "is close to what would have occurred in the way of a settlement had the parties negotiated their own agreement." That draws a very unusual conclusion as to the progress of negotiations. We asked him many times in this House whether he had talked to the parties to the dispute. Who was briefing him? How can he draw those conclusions?

He hastens to say he has not provided for compulsory arbitration as a method of dispute resolution. Why has he avoided this when Bill 100 clearly sets out this course? Is it because one of the parties to this dispute has been pleading for some weeks to go to a third-party arbitrator? Is it a political response that, in fairness to the students, in the fairness of an arm's-length settlement, he would avoid the option of arbitration?

This political problem seems to resurface with this piece of legislation. But the minister draws the conclusion that it would be "the best and fairest solution....It sends out a signal to other negotiators in this province that they should resolve their disputes through local negotiations and mediation." It sounds a lot like, "You had better do it right or we will step in and handpick



which mediated settlement will have its impact in your jurisdiction." Not very arm's-length at all.

I am concerned that this piece of legislation has ignored the provisions of Bill 111, the Public Sector Prices and Compensation Review Act, 1983, when I am led to believe that the settlement is in excess of five per cent in the first year. Why would the government propose legislation which flies in the face of other policy guidelines set down by this House? Why would it allow for the mediator's settlement to be greater than the stated guidelines? Is this not a contradiction?

I am very confused, as one of those who watches the minister. I have asked him why he makes many of the financial decisions he does on educational matters. I was intrigued that in the matter of the extension of separate school funding and the second-year plans for Bill 30, there was a tremendous amount of impact by the Minister of Revenue on that very important issue. There was an admission by the Commission for Planning and Implementing Change in the Governance and Administration of Secondary School Education in Ontario to that effect, and yet here we do not see any evidence of the Treasurer's very steady, conservative hand on the finances as they are applied to education in this province.

It seems to be another contradiction in the government's policy as set out in this legislation. Why is the government inconsistent on this point? I cannot see where they have earned even a B on the report card for this legislation.

One of the things that disturbs me is the extent to which this legislation would use the mediator's settlement, and it has a dramatic impact in Wellington county in the area of the gap between the elementary and secondary teachers' grids. It flies in the face of the historical trend in that jurisdiction to narrow that gap. To date, I would note that the Minister of Education refuses to make a clear and concise statement about the fact that the elementary teachers are paid considerably less, and I am led to believe that gap has gone from an average of \$91 to more than \$1,000 because of imposing the mediator's settlement instead of taking the arbitrator's route which is provided for in Bill 100.

Perhaps one of the things in this legislation which frightens me most has to do with the fact that it flies in the face of good, sound labour negotiation. It does not provide for an adequate cooling-off period for the implementation of the two-year agreement.

Like several members of this House, I have had considerable experience in free collective

bargaining. I went through the very uncomfortable experience of a 22-month agreement. We were fortunate enough to settle for a three-year agreement after that. The reason we did and the reason the arbitrator imposed that upon us is very simply this: in Wellington county, the teachers will have to contact the school board trustees within five weeks of this settlement to begin negotiating their 1986-87 agreement, and it does not provide a two-year agreement. It does not provide for an adequate cooling-out period, which is required. The legislation is deficient by a year in this regard.

The minister is aware of situations in which the natural professionalism of the teachers and the natural tensions existing in the community need time to both melt and reconstruct. I hope the minister will re-examine that very important area. However, we have noticed that during question period they have great difficulty with cooling off.

The final point that concerns me about this legislation has to do with the fact that by choosing the route the government did and going to the mediator's option, it may have closed the door permanently to the option of arbitration and perhaps final-offer selection. I say that because the government will have set a standard publicly in this House that in its opinion the mediated settlement is a fair and equitable one. In not allowing a neutral third party, devoid of the very serious tensions which have occurred in the last two weeks since the mediator made that statement, it may have signalled all parties that the only option left now is mediation because an arbitrator would clearly be influenced by this government and the minister's public statement.

In summary, I compliment the government. The timing is a little late. Some points of the legislation are a little rash. However, the children of Wellington county will be well served by legislating the teachers back. I urge the minister to reconsider the point of the two-year agreement, given that tensions in that community have gone on too long, too far and too hard.

**5 p.m.**

**Mr. Foulds:** I want to speak briefly on the bill. I do so both for reasons of principle and for personal reasons. I have never voted for back-to-work legislation in this assembly, whether it affected teachers or elevator workers or transit workers, because I believe if we have established in legislation the right to full and free collective bargaining, we abrogate that principle at very grave risk.

The risks are twofold. One, we are abrogating the general principle the Legislature has passed. What we are saying when we bring in particular back-to-work legislation is, "Yes, you do have the right to full and free collective bargaining, except in these circumstances, except now." My problem is that far too often the exceptions we make because of so-called trying circumstances become so great as to abrogate the general principle.

For my sins, I was once the Education critic of this party for some six years, and I remember very vividly the 11 pieces of back-to-work legislation the former government brought in during the years immediately after Bill 100. It seems to me we were in very grave danger of weakening the principle of Bill 100 at that time.

What we have shown over the years is that the School Boards and Teachers Collective Negotiations Act is basically a good piece of legislation; it has worked. There have not been nearly as many disputes since the bill as before the bill, and we have on many occasions used the bill to good effect.

My colleague the member for Hamilton West talked about the principle of freedom of association. I oppose the legislation not merely because it abrogates that principle of freedom of association and the freedom of free collective bargaining but also because we are relieving the local parties of responsibilities, and I do not believe that we should relieve them of responsibilities. There is a responsibility to negotiate in good faith; there is a responsibility to come to an agreement. If we in this province believe the best administrative unit for education is at the local level, then we interrupt or rupture that process by a bill such as this at a very grave level.

I do not think we should relieve the local board of its responsibility. The good people of Wellington county have taken steps to remedy that situation by replacing what is now a lame-duck board with a new board. It is unfortunate, I believe, that this legislation comes in at a time when there is a week's hiatus between a lame-duck board that frankly would not negotiate, and would certainly not negotiate after its defeat, and the assumption of that responsibility by the new board, which presumably would negotiate. We know that negotiations are going on today. We do not know the status of those negotiations.

Before concluding my remarks, I would like to say that I do very much understand the position and the situation in which the member for Wellington South and the member for

Wellington-Dufferin-Peel find themselves and the paramount concern they have for the students in this situation.

Obviously, public service sector strikes and disputes are among the most difficult, and education disputes are among the most difficult of those public service disputes. However, we have to consider what our education system is and what it does in these circumstances. Are we saying our education system is so fragile that an interruption of 50 days in a 13-year period will irreparably damage that student?

I submit to members that should a student's educational process be interrupted for 50, 100 or even 200 days for reasons of illness, we would not say a student's educational career, opportunity or future was jeopardized. I draw that to the members' attention as a parallel because I believe our educational system is strong enough. I believe the resilience of our students all across this province and in the good county of Wellington is strong enough to withstand an interruption of their so-called formal education for a period such as the one they have experienced.

Although I will be delighted to see them back in the classroom, I am far more concerned that the quality of what they get in the classroom is a quality we hope and assume they are getting rather than merely time. Far too often in the past 10 to 12 years we have tried to quantify education; we have tried to say a certain number of hours, days, years and credits gives one an education. I submit that is simply not so. The quality of education is dependent upon the participation of the student and the teacher and the interaction that takes place between them at the opportunities in the time that they get the education.

I submit the students of Wellington county will bounce back from this dispute with flying colours in the future.

**Mr. McKesock:** I rise to support this legislation to put an end to the teachers' strike in Wellington county. I want to congratulate the minister for bringing this about.

I have received an enormous amount of mail and telephone calls from constituents asking for this to happen, as long as two months ago. What is happening today is certainly due. Besides letters, I have also received resolutions from school boards, township councils and town councils requesting not only that teachers be legislated back but also that changes be made to the legislation so situations such as this might not happen in the future.



I would like to read a couple of letters I have received that show the feelings of the people in the riding. This one is dated September 29, which is now approaching two months ago. It states:

"Dear Sir:

"Grey and Wellington high school teachers are on strike. Our children are victims in a stalemate between teachers and school boards. There are no signs of an early settlement and no scheduled talks. I urge you to start back-to-work legislation as soon as possible. I realize this legislation would be controversial and would interfere with the teachers' right to strike. However, right now my children's right to an education is being mutilated and if a choice has to be made between the two rights, the children's rights should be winning hands down."

**Mr. Cousens:** When was that dated?

**Mr. McKessock:** This was dated September 29, almost two months ago.

"The situation should have been foreseen by politicians when the teachers were given the right to strike. In the long term, I urge you to amend Bill 100 and remove the right to strike from teachers and replace it with compulsory arbitration in case a settlement cannot be reached by negotiation.

"There are numerous other groups of workers whose jobs are considered as essential by society and who do not have the right to strike. Surely our children and their education is the future of this province and this country and are as essential as any of these other groups. Compulsory arbitration by an independent arbitrator has worked for these groups and could work for teachers as well."

**5:10 p.m.**

Shortly after this strike began, I also had a delegation of students come to me from Norwell District Secondary School in Palmerston in Wellington county, which is part of my riding. The students were first off the mark to come to speak to me about the problems they were going to encounter with the strike. This is a presentation made to me by a group of students from Palmerston:

"We as people have rights. No person should be allowed to take another person's rights away. Since the bargaining between the teachers and the board came to a halt, our rights to an education have been temporarily terminated. Sure, we have been told we can go to other schools; yet some, after trying, have not been accepted, being as we are from a striking school. In the schools which will accept us, we will have

problems with scheduling and the curriculum differences.

"After talking to several of the teachers, I have discovered they prefer not to go to binding arbitration voluntarily because they say it is a matter of principle, such as honesty and trust between them and the board. What about the honesty and trust between the teachers and students? The tension and anger which will most likely be present in the schools after the strike will make it harder for students to concentrate on their studies.

"There should be a back-to-work order given as soon as possible, not within 40 to 45 school days, which is approximately three months. No student can afford to lose three months of education. It is hard enough for some students to miss one day. Average and below-average students may not be able to make up for the lost time, or do they not count?

"To prevent any other unfortunate destructive steps, there should be compulsory binding arbitration. This way, there would be an agreement reached and any further strikes and lockouts would be prevented. In my opinion, the government should step in and order the teachers back to work, as school is an essential service."

That was from the students of Norwell District Secondary School in Palmerston.

One other letter states:

"I write as a concerned taxpayer and a parent of a grade 11 high school student.

"The Wellington county secondary school system is now down for its second week. It is my understanding the board has offered to have this dispute settled by binding arbitration and the teachers have refused. While not wanting to take sides due to lack of sufficient factual information being released by either group, I find it totally irresponsible, and perhaps even immoral, for teachers to walk away from the students for who knows how long.

"I believe the educational system should be classified essential and the teachers' right to strike taken away by legislation. Disputes such as these, which are so detrimental to the education of young people who will eventually run our country, must be settled by some kind of arbitration board. Strikes of this nature only serve to lower the quality of education in Ontario and disillusion our young people."

From the present legislation, there seems to be a lot of pressure put on both sides to settle. Of course, when a strike occurs, that pressure mounts. It does seem to be difficult to reach a conclusion. If the board suggests its final offer

right at the start and fails to negotiate any further, it is accused of negotiating in bad faith. It has to be willing to dicker and deal, and this certainly goes on for a long time.

I feel that in good negotiations both sides have to be responsible. Generally, the employer would increase his offerings and the employees would lower their demands. In Grey county, something a little different happened: the board was increasing its offer, but the teachers were also increasing their demands.

When it gets down to the final negotiations, the employer has to be first. Sometimes we argue about what comes first, the chicken or the egg, but I have no trouble understanding that employers have to come first. I lost the support of a teacher or two when I had conversations over the phone with them and suggested that was the way it should be. However, if we in this country ever get to where we say employers do not come first, then we are in real trouble.

If no one gives in a dispute, then we find ourselves in the circumstances we are in today, and we have to legislate them back. Teachers are professionals; they are certainly respected in my riding and looked at as just that, professional people. During the strike, nothing was said to me against the teachers except that they were respected, but their demands were not.

I know the teachers are concerned about this legislation as to whether this strike will force some of them into layoffs. It is suggested that perhaps six per cent of the students will not return to Wellington county schools, and this could leave the board in a position to lay off more teachers. I am not sure whether the minister is thinking about whether the teachers are going to be given some consideration in this regard.

I want to close by saying that in a strike, nobody wins. Certainly the students are kept as hostages, and this is very unfair. There should be a way to settle these disputes so the students are kept out of the situation altogether. I am certainly pleased that, as of today, this strike is going to come to an end.

**Mr. Cousens:** I too take pleasure—

[Applause]

**Mr. Cousens:** —in receiving such fine applause from my honourable friends.

The Minister of Education is not here to take part in or listen to the debate, I guess, and it is too bad he is not. Considering the support being given and the other things being said, it would be good if he were here. Mr. Speaker, would you like me to stand by? Is he coming back?

**The Deputy Speaker:** Will the member please carry on?

**Mr. Cousens:** It is such an important debate, and time is of the essence. I know we are all anxious to proceed with getting the young people of Wellington county back to school.

Before I launch into some remarks pertaining to the bill, I would like to say first of all how impressed I have been with our own member, the member for Wellington-Dufferin-Peel, who has been so supportive of getting a solution to this problem from the very beginning. His remarks this afternoon epitomize my position.

The responsibility that we as members have to our constituents is manifested supremely well in the member for Wellington-Dufferin-Peel. I look upon him as one of the most respected people in our caucus and as one who has the best interests of all the people of Ontario at heart. Certainly, in searching for a solution to this problem and in his recommendations to the Minister of Education, I know his heart has been in the right place.

I also commend the member for Scarborough Centre. He is a new member to the House, but he is showing the kind of expertise and talent that is the strength of our party, and I am very proud to call him a friend.

When the Minister of Education stood up yesterday, there was a sigh of relief from all of us to know that suddenly something was happening, some concrete action was being taken to resolve this prolonged impasse that has existed in Wellington county.

When the minister rose and made his statement, he said a number of things. The fact that he is getting the students and teachers back to school is the number one issue. I laud and support that. I regret, however, the time it has taken him to reach this conclusion, and I regret the ingredients in the legislation he has before us in Bill 63.

**5:20 p.m.**

I lament what the Education Relations Commission has done. There was evidence long before last Friday, when they submitted their advisement, as they called it, to the minister. The chairman of the board, Mr. Nelson, communicated the jeopardy of the students he was concerned about on November 12, 1985, outlining some of the things which I regret to say the member for Port Arthur (Mr. Foulds) and other members may not be aware of. In the mind of the chairman of that board, these students were in jeopardy two weeks ago, but no action was taken by the minister.

Approximately 165 students, representing about six per cent of the total graduating-year



students, have already deserted Wellington county schools and are receiving instruction elsewhere. While the fact that some of them are receiving instruction elsewhere is a good sign, there may be a number of others who have now left school and will not be back or whose careers in education may be thwarted,

This strike is a jeopardy to their lives. I believe what the member for Sudbury East (Mr. Martel) said last week and what the member for Port Arthur is saying today, namely, that where one young person's future is jeopardized by virtue of not having the education, the foundation, the basis of building his or her life, there is a serious injustice. I cry for them.

I only hope that from this whole situation something can be brought back. Perhaps one of the last things the Ontario Institute for Studies in Education can do before it becomes University of Toronto is look at the long-term effects on the young people in Wellington county who have been hurt, some permanently, by the strike. I would be pleased to see that kind of evaluation done. Perhaps we can learn from it for the future and we will not see the same kinds of problems happen.

I am concerned about jeopardy. I am concerned that the ERC did not call the shot earlier, or perhaps the minister did not call the shot earlier. I wonder who begins with what. Why did the ERC not start off with some firm resolution to review what was going on in Wellington county? Were they looking? Were they aware? Were they informing the minister how bad it was? I question that. Out of this strike, possibly the minister could review what the ERC is all about. Are they doing the job the way they should be doing it?

I strongly believe that is an important process included within the original Bill 100 and included in the act for negotiation procedures. The ERC has a role to play, and I regret having to say I do not believe it has played its role well. It has played it badly, and the young people, teachers and other people involved in that dispute have suffered because of it.

If that is what it took for the minister to respond as of last Friday noon hour, there has been something missing. The evidence is there that it was an impasse long before that, an impasse having a detrimental effect on the future of the young people. That advisement was late in coming, and I regret it was so late. I also regret that possibly there was no way of responding to it earlier.

Last week we had an opportunity for an emergency debate in the House on the Well-

ington county strike. At that point, the minister had called the negotiating parties to Toronto for a meeting. I am led to believe, and I would appreciate it when the minister is speaking on this bill—

#### Interjection

**Mr. Cousens:** The minister did not meet with them at that time? There was no personal involvement by the minister that could be seen by either negotiating party. The minister was not present. He did not meet with them. What influence, if any, did the minister bring to bear on the negotiations at that time?

I would be most anxious to know what he did. It obviously did not have any impact. When I spoke to one of the members of the negotiating team, he indicated he did not feel any change in the negotiating pressures or anything else. It was just another meeting. If he intended to bring about a speedy solution to that problem, it was not happening by virtue of any visible effort by the Minister of Education.

There was an opportunity to do something about it. Last Thursday would have been a chance for us to have discussed this bill. I wish we had been because a few more days were lost to those young people's futures and education.

Other members have spoken on the kind of legislation that is being brought before us. As one who has spent many years in negotiations, I have never yet seen the kind of imposed solution the Minister of Education is bringing through Bill 63. I believe it is bad and wrong. I do not think the teachers are going to like it. I know Peter Gayfer, who is up there in the gallery, cannot like it. An imposed settlement such as this is not the way to bring about a solution nor to bring parties together.

**Mr. Pouliot:** Vote against it.

**Mr. Cousens:** I want to see the thing solved. I do not like the way this is being brought upon us. I know enough about negotiations to realize that when mediations obviously fail, there has to be another approach and that is within the bill. It is within the provisions of the old Bill 100 and the revised one that we then bring about compulsory, binding arbitration.

I hope the honourable minister will look at an amendment or approach that will allow for that kind of bringing together of parties and facts without using a mediator in this way within a settlement. The mediator is working with both teams. He is bringing forward suggestions and recommendations, trying to come up with a solution. What he has developed and what is being used as the settlement within this new bill

are not a fair approach. It is not a fair approach in the use of a mediator.

It is not the traditional approach and it is not one that is going to leave either side happy. I think it is going to affect all future negotiations in this province. People who are in negotiations are going to say a mediator will now be able to have his view, suggestions or whole plan imposed on them. Because the minister is doing it this time, it can happen another time, and that becomes a new role of a mediator. The mediator now becomes the imposer.

I do not mind the mediator having powers. I have seen the member for Essex South (Mr. Mancini) in negotiations. He was a most persuasive man and he could make us do things and dance. We would come together and roll and rattle and he would force solutions, but he did it through his personal suasion, through a tremendous power of his own personality, strength of knowledge and his own being.

What the minister is doing is bringing in a sergeant-major's approach to a solution. He is taking a stick in his hand and he is not going to allow that process to be as it was. The mediator's role has changed. All future negotiations that take place in this province will change if this goes through. I would ask the minister to please review that fact because it is not in keeping with the negotiations we have had in this province for the last many years. He has a new wrinkle and I do not like that wrinkle.

One of the things the member for Port Arthur said was that it was a lame-duck board and it had not negotiated, or something to that effect. It is wrong for us here at this point to say anything of either party. I am more interested in the process of both sides coming together and resolving this impasse. It is wrong for either myself or any other honourable member to try to impose some kind of intentions on either of the negotiating parties. I hope the member for Port Arthur did not really mean what he said, and maybe he did not, but I think the fact that he said it is wrong.

As we move into the negotiations we now have, I see an increase in tensions. I see a whole new era taking place in Wellington county. Though people will be happy to have the children back in school, though many teachers will be glad to be back at work and though many trustees will be glad to have this thing solved, there will be a deep "dis-ease" at the way it has been done; Dis-ease as a sense of dissatisfaction and unhappiness at the whole process.

5:30 p.m.

Before the minister does that, he still has time to reconsider. The whole process has gone on far too long. The Kitchener-Waterloo Record has a reporter, John Roe, who should receive the Award of Merit as soothsayer or reporter of visionary truth. On September 24, he said, "Although Ontario Education Minister Sean Conway is keeping a sharp eye"—and I question how sharp it has been—"on high school teacher strikes in Wellington and Grey counties, the walkouts could paralyse classes for more than two months before he takes any action." Mr. Roe just about hit it on the head. That was September 24, and we are just past the two-month period.

We are talking about children and young people who have been hurt by the lack of action from our government, and I regret that. The member for Oakwood (Mr. Grande) talked earlier about Tom Wells. I remember during the York county strike in 1973 Mr. Wells was involved personally in negotiations with the members of the board. We knew he was interested, we knew he cared and we appreciated it.

I would like to know how many times this minister has been involved. There are two things he could have been doing for the last while, one of which was to be personally involved in intervening in that strike. He chose not to do so.

He also had the option of accelerating the ERC's report on jeopardy, but he did not. I find him wanting on both these counts. On that basis, he is now leading into a piece of legislation that solves the problem temporarily. For that I am grateful, but he is leaving something on the table that was not there before. It has to do with a new level and a new approach to negotiations, which I believe will have a long-term, serious, negative impact on the future of negotiations in this province.

When the minister is winding up with his speech, he may be able to tell us how many more times he is going to impose settlements. He has set a precedent, if this legislation goes through. Is this the way he is going to do it in future? I do not think he is making any friends in the long term with the teachers, the board or the students. They all know they have been diddled with.

**Mr. Mackenzie:** I rise to oppose the bill before us. It should be clear to anyone who takes the time to do a little thinking about this matter that it is never a fair proposal when it is imposed from on high. Every time we ignore the free collective bargaining process in this province, every time we deny the basic rights of workers, it gets easier to do it the next time.



As I see it, we are paying the price of years—certainly the years I have been in this House—of insensitivity to the rights of working people by the Tory party. I have to smile at some of the Tory members' concern over this bill. They are experts at back-to-work legislation. Since I have been in this House, we have had Tory bills ordering workers back to work after short strikes, long strikes and before they even went out on strike, depending on the politics of the issue. I wonder what their real position is and what kind of a game they are playing.

The Tory amendment is about as bad or worse than the government bill. Compulsory arbitration, especially that which reconfirms the 1984 contract, is an insult to the teachers involved, which I suspect is not going to be very well received. Not only does it get easier every time the government engages in this kind of an operation to order workers back to work, it undermines the collective bargaining process and it removes any incentive for the parties to make collective bargaining work. It just invites more third-party involvement. It gets one party or the other off the hook, and that is exactly what the minister is doing.

When were people in this House worried about the rights of the students involved in terms of the days they are losing in school? I wonder whether that concern extends to the lesson we are teaching the students and the legacy we are leaving them with respect to the rights that working people in this province have under the free collective bargaining process.

One of the messages we are giving them is that those rights are in every way lesser rights, rights that a lot of people have fought long and hard for. In the long run, a more serious result of this back-to-work legislation, and legislation such as this, may be in terms of the rights, the opportunities and the basic priorities the students themselves have. That is something this House should worry about.

I cannot support this bill and I could not support the amendment when it is on the floor. I hope I am never in a position where I will be one of those running around encouraging, as I have seen members in this House do for the last several weeks, and calling for back-to-work legislation. Rather than helping the matter, I suspect the members who have followed that route in this House have made it easier in the days gone by for the board not to engage in meaningful collective bargaining.

**Mr. Ferraro:** I rise to speak briefly—I know we are short of time—in anticipation of the

passage of Bill 63. I wish to make a few personal comments. I want to thank the members on all sides of this House for the consideration, encouragement and concern expressed to me with regard to the situation in my riding. It is nice to know we do not always argue philosophy or ideology and that we can care for one another, as we did this afternoon, and justifiably so, when the member for Riverdale (Mr. Reville) indicated the travesty that was occurring as far as he was concerned.

I want to thank my friend the member for Wellington-Dufferin-Peel and the member for Grey (Mr. McKessock), but particularly the member for Wellington-Dufferin-Peel for his constant offer of co-operation. I suppose misery loves company and he was good company.

I want to thank the minister, his staff and his parliamentary assistant. I particularly want to thank the minister for his constant support, his 12:30 phone calls, his understanding and encouragement and for coming up with this legislation. Although one might argue it is late, I am grateful for all he has done and for the concern expressed to me and my constituents in the past.

Last Friday I stood in this House and asked my leader some pretty tough questions. Indeed, in the scrum outside, I said he was insensitive. If he was insensitive on Friday, it is only fair that I say publicly he was very sensitive on Monday. He is a fine leader and I am proud to be part of this party. I appreciate his understanding and the fact he was a gentleman.

**Mr. Gillies:** What a difference a weekend makes.

**Mr. Wildman:** He crumbled, did he?

**Mr. McClellan:** Do not grovel. You were right the first time. Stick to your guns. He was insensitive.

**Mr. Runciman:** Is this an apology?

**Mr. Ferraro:** I may have blown my cabinet spot, but I mean this.

**Mr. McClellan:** What does he mean by "may"?

**Mr. Andrewes:** There is lots of room over here.

**Mr. Runciman:** There is a future for the member over here.

**Mr. Ferraro:** Those guys should pray I do not get to the cabinet.

This is not to detract from what I have said; I meant it. I want to thank my colleagues in the caucus for their support and concern. It is nice to know they are my friends.

Yesterday when the legislation was introduced, somebody asked me whether I was happy. No, I was not happy and I am not happy, but I am relieved. There is a big distinction. This is not the best solution; I know that and everybody in this House knows it. There are no winners in this situation, but there are those who will not lose as much.

My community—not just the students, although they are directly affected—will begin to heal the deep and sensitive wounds and get on with our lives. That is justification enough for this legislation. I wish to conclude by saying I fully endorse looking at Bill 100 to see whether we can make it better to prevent further need for unnecessary and tragic disasters such as occurred in my community in Wellington South.

5:40 p.m.

**The Deputy Speaker:** The member for Brock.

[Applause]

**Mr. Partington:** Thank you for that applause. I welcome this opportunity to address the House on this important matter. Most labour disputes have at least two sides that in and of themselves make them difficult to solve. Disputes such as the one being debated today are particularly problematic, given there are four sides involved, the most obvious being the teachers and the board of education. These two sides have the responsibility of negotiating a settlement to the end of the teachers' strike, but after 51 days they have been unable to do so.

The other two parties involved in this strike are the students, who have been denied their education for the 51-day period, and the parents, who I am sure believe their children have been the pawns in a tragic game of chess. In a game such as the one we have seen over the past two months, there cannot and will not be a winner. There are only losers.

The strike has not been resolved even though the teachers have been sent back to the classroom. It has simply been ended, and at what expense? Teachers have been given the right to strike. It was that right they chose to exercise. The students, however, had no say in the matter. Those students have perhaps been given an education in labour disputes and negotiations unprecedented in the history of education in this province. What impression must this dispute have left on these young people?

Students have ingrained in them the belief that they have the right to expect quality education, and they have not been given a choice of whether they go to school or not. At age five, they go.

That is the law. What do we tell them now? How do we explain the fact that rules change, even when those rules directly affect their future?

The Minister of Education has determined that, in the best interests of the students, the strike must end. I support that. To do that the minister has imposed a settlement which was rejected just two short weeks ago by the two principals in the dispute. That imposition by the minister concerns me in that it sets a dangerous precedent for future negotiations. It also, in my estimation, sends out the message that mediation and even binding arbitration are no longer alive and well in Ontario. Will this now be the norm in difficult labour disputes involving the public sector?

Why, then, ask the two sides to attempt an equitable resolution to such disputes? Binding arbitration is one thing. Imposing the terms contained in the mediation report which has been rejected by the two sides to the dispute is entirely another.

There have been 51 school days lost. For some students it will mean the difference between successfully completing their school year or having to repeat it. In this group will be a number of students who decide they may as well give up. These young people will not return to the classroom at all. For others it is the difference between acceptance or rejection at a college or university of their choice.

Last, but far from least, the loss of 51 days for some Ontario students will determine whether or not they qualify for specific scholarships. Those who do not qualify as a result of this strike may indeed be without other financial means to pursue a higher education.

I referred earlier to the parents of these young people. Every success, failure, concern and pleasure experienced by a member of a family has a direct effect on other family members, and it is no different in this case. The assurance that their son or daughter is in school preparing for his or her future is reassuring to Ontario parents. It allows them to plan ahead days, weeks, months or even years. This lengthy strike has taken its toll on the families involved. It has added yet another burden to already troubled times. Parents have had to endure the concern of everything from where their teenager is while they work to whether the family finances will be able to carry the costs of university if the sought after scholarship is lost because of the strike.

In summary, I believe it is the responsibility of the members of this House to do everything within their power to ensure that we never again



see a recurrence of such a lengthy strike in our education system. I do not believe the answer lies in the imposition of mutually unacceptable terms such as we have seen in this instance. I do believe the answer lies in the equitable resolution of disputes. To achieve that end, I believe a review of Bill 100 is not only desirable, it is also imperative.

Teachers have rights and students have rights. The days of one set of rights infringing on those of another must be put to an end. Finally, I urge all members to support the review of Bill 100 to enable us to better serve the needs of the citizens of this great province.

**Hon. Mr. Conway:** I want to thank the several speakers who have addressed their minds and thoughts to the legislation now before the House. I would make some summary remarks in dealing with the presentations that have been made this afternoon, some of which have been truly exceptional, almost breathtaking, in the light of recent history.

Before I do that, I want to pay a particular tribute to my friend and colleague the member for Wellington South, who throughout this very difficult 11- or 12-week period has kept me informed on a very regular, almost daily, basis of the situation in that part of Ontario. I want to take this opportunity to commend him for the very fine job he has done representing the people of his constituency and the efforts he has made on behalf of the 8,200 secondary school students affected in this matter.

I should say a word of thanks as well to my old friend from Mount Forest, the member for Wellington-Dufferin-Peel who, as he does so well, tendered very good advice throughout the entire duration.

It is important for me as Minister of Education to make it very clear to this House that the minister and the government believe very strongly in the process set out in the legislation that has been agreed to by this assembly. I will not remind honourable members opposite which administration brought Bill 100 to the assembly and worked with it for 10.5 of its some 11 years' existence.

It was interesting to hear the member for York Centre (Mr. Cousens) talk about what Tom Wells did in 1973. I submit to my colleague and friend from Markham that it was the very situation to which he directed our attention which forced that government to move in the direction of Bill 100, because it was not found by people such as the then Minister of Education to be a particularly useful or prudent exercise to be going around

involving himself in trying to resolve those situations.

I have said repeatedly that I believe very strongly in the process and I was determined to see that through. We have agreed that collective bargaining should be the means by which these matters are resolved in education. As a Legislature, we have given the responsibility to both parties to work out those settlements at the local level. I said that throughout the piece, on occasions when it was sometimes difficult.

It has been asked, when and how often did the honourable Minister of Education speak to the parties? I can recall for the attention of the House two conversations I had with the chairman of the Wellington county board, Mr. Nelson.

**Mr. Davis:** Only two?

**Hon. Mr. Conway:** Yes. My friend the member for Scarborough Centre is right.

In the first conversation with Mr. Nelson more than 10 days ago, when he was very vigorous in his protestation that we must intervene as a government and legislate an end to this strike, I said that was not our preference; we believe in the legislation and the process. I warned him he ought not to look to this Legislature to absolve him or the other party from their obligations and responsibilities. I warned him repeatedly that he might regret the very thing he sought.

I must say, I am very disappointed that in Wellington we did not get and we have not yet got, at 5:49 of the afternoon of November 26, what we were able to get in Grey just a few days ago. I regret that. We still have time. I am making it very clear to both parties that if they can work it out between themselves, we will certainly allow and encourage them to do that.

One of the reasons we have moved with the method of dispute resolution as we have, is to send a very clear signal to the educational community in this province that we expect the process to be adhered to and we expect local parties to undertake their responsibilities to work it out between themselves and not to look to this Legislature to let them off the hook. I know it is difficult and I know my friend the member for Scarborough Centre knows that, however difficult, it can be and is most often done.

**5:50 p.m.**

A few weeks ago it was said that the Grey parties would never settle; it was hopeless; there would be no settlement. Ten days ago they reached a tentative agreement, which agreement was ratified a few days ago.

Interjection.

**Hon. Mr. Conway:** I want to say to my learned friend the member for York Mills (Miss Stephenson) that I fully expected the parties in Wellington would do what the parties in Grey were able to do.

There is a signal in this legislation; the member is absolutely right, and I am sorry that my friend the member for Burlington South (Mr. Jackson) is not here. The signal to the parties in education in this province today is, "You will get no more from this Legislature than you could have worked out between yourselves with the collective bargaining process." That is a very important signal.

**Mr. Davis:** Only with a mediator.

**Hon. Mr. Conway:** My friend the member for Scarborough Centre says, "Only with a mediator." There has been talk here about this mediator and about his proposal as though it were the work of somebody who was not very experienced or very involved. The Education Relations Commission has had a very experienced mediator in the Wellington dispute for more than four months. He has been involved in more than 300 hours of mediation. I dare say that with all his experience in general and his specific expertise in this matter, there is no one who understands that situation as well as Norm Bernstein understands it. I said in this House as recently as yesterday that I honestly believe his judgement is about as good a judgement as we are going to get from any new arbitrator who might be brought in.

The signal we want and intend to send out with this bill and with the dispute resolution mechanism we have chosen, the mediator's proposal—and I know my friend the member for York Mills appreciates this—is that no better deal will be offered in this Legislature than could have been worked out between the parties. That is an important signal and it is a signal I want sent out.

There has been a lot of talk about the Education Relations Commission. I know I am getting the signal from my friends opposite, to whom I gave a very wide berth and whose very many representations and questions I entertained with a great deal of interest.

**Mr. McClellan:** We can come back at 8 p.m. and vote.

**Hon. Mr. Conway:** I know. I will quickly conclude.

But in this case we followed the process. I do not know what the previous Ministers of Education did with respect to the Education Relations Commission, but I will tell members what I did: I did not interfere. I was very careful to contact the ERC on a daily basis to get the

latest reports on the Wellington and Grey matters. And yes, late Friday afternoon it offered an advisement about jeopardy in Wellington.

I moved the very next day in so far as the House is concerned, on Monday, to legislate an end to that dispute, which I want to say to my friend the member for Scarborough Centre is a lot more expeditious action than we saw five years ago in Sudbury when a jeopardy advisement was offered on the 47th day and eight or nine days were allowed to lapse before a settlement was finally arrived at.

Let me say to my good friends in the official opposition, let he or she who is without sin in this matter cast the first stone. In that connection, my friends in the official opposition—

**Miss Stephenson:** On a point of personal privilege, Mr. Speaker: There was indeed action in Sudbury, and although my sins may be very much greater than those of the honourable Prince of Wales, I really feel very strongly that the action that was taken should not be so denigrated. At the end of the eight or nine days, the minister herself brought the two parties together and in 12 hours we achieved a settlement.

**Hon. Mr. Conway:** I just note for my friends opposite: at the 56th day.

**Miss Stephenson:** At the 54th day.

**Hon. Mr. Conway:** That is when that dispute ended.

This government is very serious about protecting the interests of the students in Wellington and in other districts of this province, but we intend to follow the procedures and spirit of Bill 100.

In conclusion, I look forward to this bill passing in this assembly today so that those students can return to school at the earliest opportunity. As I indicated in my statement yesterday, we have already undertaken to contact the various post-secondary institutions through the Ministry of Colleges and Universities to see that they make the necessary accommodation. We have asked the Education Relations Commission, once this matter is resolved, to undertake some counselling and some improvement in the relationship between the new board of Wellington county and the local of the Ontario Secondary School Teachers' Federation.

**6:03 p.m.**

The House divided on Hon. Mr. Conway's motion for second reading of Bill 63, which was agreed to on the following vote:

**Ayes**

Andrewes, Ashe, Baetz, Barlow, Bernier, Bossy, Bradley, Brandt, Caplan, Conway,



Cooke, D. R., Cordiano, Cousens, Cureatz, Curling, Davis, Eakins, Elston, Epp, Eves, Ferraro, Fish, Fontaine, Fulton, Gillies, Grandmaître, Gregory, Guindon, Haggerty, Harris, Henderson, Hennessy, Jackson, Johnson, J. M.;

Kerrio, Keyes, Knight, Kwinter, Lane, Leluk, Mancini, Marland, McCague, McGuigan, McKessock, McLean, McNeil, Miller, G. I., Morin, Munro, Newman, Nixon, O'Connor, Offer, O'Neil, Partington, Peterson, Pierce, Poirier, Pollock, Polsinelli, Pope, Reycraft, Riddell, Rowe, Runciman, Ruprecht;

Sargent, Scott, Sheppard, Smith, D. W., Smith, E. J., Sorbara, South, Stephenson, B.

M., Treleaven, Van Horne, Ward, Wiseman, Wrye.

### Nays

Allen, Breagh, Bryden, Charlton, Cooke, D. S., Foulds, Gigantes, Grande, Grier, Hayes, Johnston, R. F., Laughren, Lupusella, Mackenzie, Martel, McClellan, Morin-Strom, Philip, Pouliot, Rae, Reville, Wildman.

Ayes 80; nays 22.

Bill ordered for committee of the whole House.

The House recessed at 6:08 p.m.

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Bennett, C. F. (Ottawa South PC)  
Bernier, L. (Kenora PC)  
Bradley, Hon. J. J., Minister of the Environment (St. Catharines L)  
Conway, Hon. S. G., Minister of Education (Renfrew North L)  
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Davis, W. C. (Scarborough Centre PC)  
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Grande, T. (Oakwood NDP)  
Grossman, L. S. (St. Andrew-St. Patrick PC)  
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Harris, M. D. (Nipissing PC)  
Jackson, C. (Burlington South PC)  
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Laughren, F. (Nickel Belt NDP)  
Mackenzie, R. W. (Hamilton East NDP)  
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Yakabuski, P. J. (Renfrew South PC)













No. 52

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**First Session, 33rd Parliament**

Tuesday, November 26, 1985

Evening Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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# LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday, November 26, 1985

The House resumed at 8 p.m.

House in committee of the whole.

## WELLINGTON COUNTY BOARD OF EDUCATION AND TEACHERS DISPUTE SETTLEMENT ACT

Consideration of Bill 63, An Act respecting the Wellington County Board of Education and Teachers Dispute.

Section 1 agreed to.

On section 2:

**Mr. Chairman:** Mr. Davis moves that subsection 2(1) of the bill be struck out and the following substituted therefor:

"2(1) The teachers who are on strike against the board shall, on the first school day following the day this act comes into force, return to and resume their duties and the board shall, on the first day following the day this act comes into force, resume the employment of such teachers.

"(a) All matters currently agreed upon by the teachers and the board shall become part of a new written collective agreement and contracts of employment effective immediately.

"(b) All matters remaining in dispute shall be submitted immediately to binding arbitration.

"(c) The last collective agreement and contracts of employment shall apply in respect of all matters remaining in dispute until such time as the decision of the arbitrator becomes effective."

**Mr. Davis:** It gives me great pleasure to make the amendments on behalf of my party. I would like to say a few words as to why we have made those amendments.

I must commend and applaud the decision of the Minister of Education (Mr. Conway) and his colleagues to move in this dispute to bring about a resolution by which they will ask the teachers to return to the classroom on behalf of the young people of the county of Wellington.

I point out to the minister, as I am sure he is aware, that not only has he an obligation to ensure there is fairness and justice in negotiations under the School Boards and Teachers Collective Negotiations Act but also his primary responsibility is to ensure the welfare of students in this province by the delivery of education.

I further point out that when the welfare of students, their educational year, is in jeopardy, it is incumbent on the government of the day, whoever the government may be in the future, that it must take the necessary steps to ensure that students' rights and obligations are protected.

I premise my remarks by saying there have been dramatic changes in the delivery of educational programs across this province. In the strikes heretofore, a majority of students have not been on semestered programs.

To enlighten my colleagues of the House, all those who are here present for this great debate, this important event, I point out that the process of semestered schools is such that young people take approximately four credits—they can take five—for half the school year. In effect, they take their energies and all their abilities and direct them to four or five subjects rather than to eight or nine.

For many students across Ontario, this affords an opportunity that was not afforded to many members of this House, including me, when we had to take nine credits. They have the opportunity to concentrate on four areas of study. As my colleagues know, they go to school from September 1 to the end of January, when the first semester ends. The second semester begins around February 1.

One of the problems the Wellington board has illustrated for us is that within the context of Bill 100, there is no criterion for deciding when a student who is in a semestered program is in jeopardy. The totality of a jeopardy hearing lies primarily with a recommendation of the Education Relations Commission, which takes a position that a student's year is in jeopardy. I point out that a student who misses three months of schooling certainly stands in grave difficulty in obtaining his school year.

For the welfare of students, we are prepared to support the government's legislation, which asks, demands and orders teachers back into their classrooms as soon as this motion is approved. However, we have great difficulty with the rest of the recommendations.

I reiterate, as I did this afternoon, that to my knowledge, nowhere in this province has any government ever intervened in the dramatic way

that the present government has done. In essence it has stripped away the whole process of what many people in the province have fought for in the process of collective negotiation. Not only has the present government legislated back a group of strikers or a group of people who have withdrawn their services but also, for the first time in history, this government, under the direction of the Minister of Education, has mandated the conditions of settlement. That has never happened before.

**Hon. Mr. Kerrio:** That is responsible government.

**Mr. Davis:** The minister may call it responsible government. I call it government by mandate, government without consultation and, provided no one jumps on me because my name is Bill Davis, I suggest to the honourable members of the government that it is government by decree.

**Mr. Ferraro:** That is the pot calling the kettle black.

**Mr. Davis:** That is the pot calling the kettle black; correct. However, I believe the present government has put into serious jeopardy the whole process of negotiation.

Interjection.

**Mr. Davis:** The members opposite are just the present government; they may not be there next time.

I would like to inform my learned colleagues in the government how the process of negotiation operates between boards and representatives of teacher affiliations. It is stated in Bill 100 that both parties must indicate by January 31 their intent to negotiate; if that intention is not declared, the present agreement continues.

**Hon. Mr. Bradley:** Is this a sermon?

8:10 p.m.

**Mr. Davis:** No, it is not a sermon, although sometimes the honourable member may be in need of a sermon, especially when he tries to quote Scripture.

I point out that by February 28, those issues that are to be discussed are to be placed on the table, and the negotiations continue from February through. I also point out to the minister on behalf of trustees and teachers that, come the middle of June, it is examination time and negotiations do not occur. Along come July and August, and for a variety of reasons, they do not wish to meet.

**Hon. Mr. Bradley:** Was the member around for the Sudbury strike?

**Mr. Davis:** No, but I will talk about the Sudbury strike.

**Hon. Mr. Bradley:** That is where jeopardy was declared, and the minister did not even intervene after jeopardy.

**Mr. Davis:** The minister should not interrupt me. I do not interrupt the minister. I allow him to make his statement. I will make mine.

**Hon. Mr. Bradley:** The member interjects all the time.

**Mr. Davis:** When the minister is quiet, I will continue.

There is a deadline that teachers and trustees are forced to recognize. If there is no settlement by August 31, the Education Relations Commission must appoint a fact-finder. It is the hope of both parties that the negotiations are settled by then.

One of the flaws of Bill 100 is the time frame, which could be examined to see whether there is a more appropriate mechanism to bring about the kind of resolution that is made in justice, fairness, concern and compassion so that, come August 31, most of the negotiations are settled.

The fact-finder has 30 days to produce a report, and we are now at the end of September. School has been in for one month. The parties have seven days to respond to the fact-finder's report before it is made public. In essence, we are looking at the Thanksgiving weekend before the next process can occur. Then there is an opportunity to continue negotiating, or one of the parties can ask for mediation.

With the situation in Wellington county, the ERC appointed a fact-finder, who then made the findings and made comments on the ability of the local community to respond to salary demands. If I am correct, the fact-finder suggested the status quo should hold position with respect to staffing.

The fact-finder was appointed by the ERC. The fact-finding information was put out, and along came mediation. I would like to take the opportunity, not to lecture my colleagues or to preach at them, but to let them understand how the process of mediation works.

My learned colleagues to the left are quite aware of how mediation is accomplished. It is my understanding, and I always stand to be corrected, that the mediator calls in the teacher representatives, and they place their concerns, their agenda and their issues on the table, alone and in private. Then the board representatives come in.

The trustees of this province represent the people of this province. We must never forget they are the spokesmen for the public. The



minute we disregard that important piece of information, we find ourselves in jeopardy, as I believe the present government finds itself in jeopardy.

The board comes in and makes its presentation. The mediator states his considerations and then makes his recommendations. In the process, the mediator's responsibility is not to be fair; the mediator's responsibility is to make proposals that will bring about a settlement.

I have been informed that the present mediator stated to the negotiating representatives of the board of education, and it has been reported, that his report has nothing to do with fairness; it has to do with bringing an end to an intolerable situation in the county of Wellington. It has nothing to do with fairness, but what will bring a settlement. I do not think I need to repeat that again.

If it is permissible, I would like to read into the record a piece of information from the Matthews report; I hope my learned friend the Minister of Education will take it to heart. It talks about Bill 100 and states the rationale for it:

"In assuring certain rights to teachers and to school boards, we expect that the bargaining process will be carried out in a reasoned and responsible fashion by persons of goodwill and with constant reference to the heavy responsibility each bears for the education of our young people."

I contend that the proposed legislation, the arbitrary action of the present government to mandate a settlement that is not based on the practice of labour negotiations across this province, whether it be between boards and teachers or in any other avenue where labour negotiations take place—

Interjection.

**Mr. Davis:** That is not what I said. Where there has been no opportunity for either party to defend its position in front of a neutral arbitrator, what in effect the minister has said is that the settlement is that of the mediator.

I point out again that the mediator's responsibility, as I understand it and as he stated, is not to be fair and just but to find out those issues that will bring about a settlement, regardless of the other kinds of constraints that are upon him; such as are found in Bill 111, I believe it is, which talks about the ability of the local community to pay the kinds of salary increases.

I point out to my learned colleagues on the government side that the Treasurer (Mr. Nixon) has stated the increase to boards of education in this province will be four per cent. The present

proposition before this House allows for salary increases far exceeding four per cent.

Is the government telling the people of this province that teachers and trustees can settle above the Treasurer's recommendations and that it will pick up the additional costs through the legislative grants and they will not fall upon the shoulders of the public through increases in taxes?

**Mr. Epp:** Why is the member against the students?

**Mr. Davis:** I have not finished yet. We will get to them.

I point out also that I understand the rationale stated by the minister in this House at approximately five minutes to six just past, when he said in effect: "I want to send out a very strong message to the teachers and boards across this province that the government does not want to intervene in future strikes. In fact, we do not want to resolve any future strikes and if we must as a government, we will resolve them not through the normal process of collective bargaining but by taking the mediator's report and enforcing it upon both parties."

**8:20 p.m.**

That in effect is what the minister has said. His assumption is that board and teacher representatives will be afraid to come before this House on the mediation report. I suggest to him in all humbleness that what will happen is that parties discussing the negotiations will say, "Let us see what the mediator has to say, and if it is good for us, then we will go to Queen's Park because we will get the settlement we want." That is the message the minister has sent out.

**Hon. Mr. Bradley:** No matter what we did, the member would have opposed it.

**Mr. Davis:** No, I would not. I will give the minister the solution. I will rescue him again.

One of the interesting developments in this discussion has been with my learned colleagues to the left, the members of the third party. They have stated they are not going to support the bill. I applaud them for that because they fulfil the mandate they believe they have in this province to be the voice of labour, to protect the rights of the labourers. I support them for that. That is right, fair and just. I have no problem doing that.

Therefore, by saying they are voting against the bill, I assume they are saying in essence they must support the amendment put forth by my party because it follows the normal process of labour negotiations. Nowhere have I ever seen the third party stand up and suggest to anybody in

this province that it is prepared to support legislation that not only orders workers back to work but also, for the first time in history, has a government setting each issue of the negotiations.

I ask my learned colleagues if they defend that position, or do they no longer represent the whole labour movement across this province? It seems to me they have only one option in this case and that is to support the amendment, to follow through the natural and just course people such as Mr. Woodsworth, Coldwell, Stephen Lewis and their present leader have fought to ensure not only across this province but also across this country. When they were the Co-operative Commonwealth Federation, they were born out of the movement in the western provinces towards social justice and concern for the workers. Are they now abandoning that position? I do not think so. I can assure members that in this case they really have no option but to support the amendment that continues the natural flow of Bill 100.

Interjections.

**Mr. Davis:** I suggest to the learned gentlemen on the other side that they should sit and listen. They may learn something. I would point out to my learned colleagues that leadership includes listening whether one likes it or not. Tonight they are going to listen. If they do not want to listen, they can leave. They can read it in Hansard, because it is just as effective.

**Hon. Mr. Bradley:** Is the member filibustering?

**Mr. Davis:** I do not know what "filibuster" means.

**Mr. Chairman:** Carry on with your comments, please.

**Mr. Davis:** Thank you, Mr. Chairman. I will carry on.

**Hon. Mr. Bradley:** The member is filibustering.

**Mr. Davis:** I am not filibustering.

**Mr. Chairman:** Would the members please let the member for Scarborough Centre continue without interruption.

**Mr. Davis:** In the institution I left, when we had individuals who were disruptive within the assembly, our ushers used to ask them to leave.

One of the interesting issues in this debate is the concern for students. I find it interesting that all through this debate my learned colleagues to the left have been very silent about the welfare of students. Our compassion and concern were

articulated in a letter to the Premier (Mr. Peterson) as early as October 14. It took three government members to not only suggest but to state last Friday that the Premier of this province was insensitive to the wellbeing of students in Wellington county, to the kind of fractioning that was occurring in the communities in Wellington county and to the fact that teachers, as they moved in and out of associations in those local communities, were being discriminated against and found themselves at odds with friends and their own families.

Now, all of a sudden, the government has become enlightened. It has stated that we must order the teachers back to work because students are now in jeopardy. On November 1, Mr. Nelson, chairman of the Wellington County Board of Education, and Mr. Forsythe, director of education, sent a letter not only to the Education Relations Commission but also to the Minister of Education and to the Premier, articulating the rationale why they believed students in their jurisdiction were now in jeopardy.

It is of interest to note the Premier made one phone call on September 30 to the chairman of the board to express his concern. All other phone calls were unanswered. The position this government has now taken shows its insensitivity and inability to govern, to understand the totality of the problem.

When the Minister of Education made his first official contact with the chairman of the board on November 18, some time between 11:30 and 12 at night, he indicated he was returning the call of the Premier who has indicated to this House and the people of this province on several occasions that he is accessible to anyone if they wish to phone him; he will talk to anyone and he has compassion and concern for their problems.

I can tell this House that the board of trustees, teachers, students and parents in Wellington county do not believe the Minister of Education and the Premier of this province are accessible. They do not believe there is compassion and concern.

Late that night, the Minister of Education suggested that the chairman of the board, along with the director and those necessary, meet to discuss the issues. The implication was, if not stated at least suggested, that the minister himself would be present; that there would be, in the words of the chairman, "a couple of heavies along to at least help to effect negotiations."

When they gave up their day of work, changed their calendars to meet, it was the mediator and a



staff member from the ministry who placed on that table—there were no options or discussions—the mediator's report.

**8:30 p.m.**

The phone call by the Minister of Education occurred on Monday, November 18. On Tuesday, November 19, colleagues of my party, through the graciousness of the House, were able to bring about an emergency debate on the strike in Wellington county. It was because of that debate, because of three government members who stood up in contradiction to their colleagues, and probably against the wishes of their leader, to point out their deep concern, that we found at 12 noon or shortly thereafter that the Education Relations Commission recommended to the minister that the students' wellbeing now was in jeopardy.

I would like to ask the minister when he returns whether he might tell us why it took him until Friday of last week to meet with the ERC to find out that the students were in jeopardy. Why did the Premier at 2 p.m. or shortly thereafter stand in this House and say that the government would not intervene in the situation in Wellington county, knowing that the ERC had already suggested and recommended the students were in jeopardy? Why did he not have the forthrightness to stand in the House as Premier and say, "As of noon today, the ERC has said the students are in jeopardy"?

I thought my colleagues in the government and in the third party to my left, who were in the House prior to my admittance to this illustrious body and who continually hark back to the Sudbury strike, had followed the same pattern, so I made some phone calls. I found that when we were in government, in every situation the Minister of Education met with the parties involved. This Minister of Education in my opinion has abdicated his responsibilities to meet with those representatives and at least to give them a fair hearing.

**Mr. Harris:** In the opinion of most of Ontario.

**Mr. Davis:** In the opinion of most of Ontario and in the opinion of three of the government's own colleagues who urged the minister and the Premier to become involved.

As a novice in the House, what I find extremely interesting is that the Premier had the audacity to stand before his colleagues, all of whom I respect—even those who cannot play hockey now—and suggest that he did not interfere and in no way affected the negotiations with the Toronto Transit Commission. However, he took all the credit. If he is going to take credit for

something he did not do, then he should also be chastised for something he should have done. He should have at least intervened or talked to them.

One of the interesting things about the debate is that all of a sudden my learned colleagues in government have discovered there is such a thing as the jeopardy of students. I would like to ask the minister, now that he is again present, why he did not meet with the ERC before to ask about jeopardy.

On October 14, November 1 and November 12, the minister received correspondence from the chairman of the board and the director of education of the Wellington County Board of Education, indicating to him their belief—and they are his representatives of education—that the students were in jeopardy. I also believe his members were contacted by parents and students in those areas indicating the same concerns. He refused to meet with them.

I have heard a great deal about the minister's sense of justice and fairness, about his vision and his sense of fairness when he was on this side of the House. I point out to him that in the debates that went on he exercised a sense of zeal, a sense of commitment, a sense of concern and compassion for students. I would especially point out to him his words on the issue of the strike of college teachers. Is he now telling the people of this province that when he moves to the heights of power on the other side his vision becomes blinded, his compassion diminishes and he is no longer concerned for the wellbeing of students, teachers, parents and communities?

I would like to know why the minister has decided not to follow the normal course in labour negotiations but rather to move to a mediator's recommendation and to place that as the settlement. Can he tell this House why he did not recommend to this House the two options that are outlined for him in Bill 100? One of those is very simply, as we recommended in our amendment, that those items that have been agreed upon be in the collective agreement; on those issues that are still outstanding, the parties would have an opportunity to go before an impartial judge who has not been involved in the hearings to this point, state their case as to why they believe their position is correct and the other party would have the opportunity to debate it.

This is not part and parcel of the process of mediation. Mediation is done in secrecy. In mediation there is no opportunity to contradict one another. Or why did he not simply move to final-offer selection?

Perhaps I could suggest to the honourable minister, the government and the Premier of this province that if they really want to become involved in negotiations, if they really were to begin somehow to change the process, for which my colleagues in the third party have fought for so long in respect to the normalcy of negotiation, we should move to final arbitration the minute that mediation is over. The teachers can then present their position, the boards can present their position and the government, through the mediator, can present its position. An impartial person who is trained in labour negotiations can sit and decide. Then the minister would take his risks, along with the boards and along with the teachers, as to which one he will select.

**Mr. Martel:** Does the member know anything about collective bargaining?

**Mr. Davis:** A little bit more than that member probably does. I would suggest to my learned colleagues on the left, who I sometimes think should be over on the opposite side of the House, that in the process of negotiations they may be wise to read a few articles, one of them dealing with the School Boards and Teachers Collective Negotiations Act, and they might become informed. If they are not informed, I would suggest they read it.

What I find interesting—and I would like to articulate it again because I think they need to know the lesson—is that the group to my left, which has continually defended the process of negotiations and has continually championed the rights of the workers, is now throwing them aside. They are now saying, “We are not going to vote to put you back to work,” and that is fair and just. But they know what is going to happen; they know this party on this side has first and foremost the wellbeing of students at heart. Although we cannot agree with the direction of that government, we will ultimately support its decision.

8:40 p.m.

My colleagues to the left say, “We are going to vote against it.” They are going to vote against the natural course of negotiations. They had better remember the prophecies that once were articulated by such great men—

**Mr. Breagh:** The member got his nose into the holy water tonight, I see.

**Mr. Davis:** —as Elijah and as Moses, the great social conscience of the prophets of old.

I can assure the gentlemen to my left that the labour people across this province are going to watch their actions tonight and they are not going to be thrilled.

At question period on October 18, 1984, the present Premier addressed this question to then Minister of Colleges and Universities:

“I have a question for the Minister of Education and Colleges and Universities with respect to the now two”—I would like to reiterate “two”; I would like to spell it for my learned colleague, t-w-o—“two-day-old strike of the community college teachers. I would like to ask the minister a number of questions, but what are her plans with respect to some of the students whose courses are now in jeopardy?”

Two days and college students’ courses are in jeopardy. This government waits 50 days before the students of the county of Wellington are in jeopardy.

I would like to point something out to my learned colleague the Minister of Education. I do not have the quotes in front of me—I could not find them, but I have them—in which he made a suggestion to the then Minister of Education, the member for York Mills (Miss Stephenson), on the issue of jeopardy. If it was not his quote, it was certainly the quote of his leader, who might then have been Stuart Smith. He asked, “Does the minister need to be told by someone outside when a student is in jeopardy?”

I would like to ask the minister another question. This time I will ask it, then sit down and see how he responds. Could the minister indicate to this House for what time frame he personally believes a student can be absent from class and not be in jeopardy? I do not ask him to stand in this House and suggest what the Education Relations Commission would suggest to him. He is a learned individual, an intelligent individual, a person who has some experience in education. He should be able to make that decision for himself, based on the criteria in which he is knowledgeable.

In what period of time does he believe a student missing classes is in jeopardy?

**Mr. Martel:** Is the member finished?

**Mr. Davis:** No, I am not finished. I am going to wait for the answers. If not, I will stand up again.

Interjections.

**Mr. Davis:** All right. I thought he was going to answer the question. He did not move; so he can just mark it down.

**The Deputy Chairman:** Please carry on.

**Mr. Davis:** I saw him move and I thought he was rising to respond to the question.

**Mr. Martel:** It was not a very good question.



**Mr. Davis:** I think it was pretty good. The member for Sudbury East would not know a good question if he saw it.

I believe the present direction this government is taking is threatening the whole process of negotiations across the province, especially in the negotiations between school boards and teachers. In essence, what will happen is the parties will go to the mediator and, where now they go with a sense of confidence and place all the items on the table, what they are going to say from now on is, "I am not going to place all the items on the table, because if an impasse is reached and a declaration of jeopardy is made, I am going to have to live with a mediator's recommendation."

In effect, what the government has taken away from those parties is the right that is inherently theirs, through Bill 100, to appear before an arbitrator and defend their positions. How the arbitrator makes his decision is not as important as the right for those parties. One party represents a body known as teachers, who have a standing in society for compassion and concern for young people, who have a deep interest in education and the delivery of educational programs and a concern about working conditions so that students benefit. The other party is the board representatives, who represent the people of this province.

In effect, the minister has eliminated public input through trustees in the negotiating process. He has acted in an arbitrary, unjust and insensitive manner. There is no option now for either party to present its case. The minister has eliminated that. There is no option for the teachers or the board to defend a position. There is no option for the teachers to defend why they should have more staff. There is no option for the board to suggest that the cost of the increases is a heavy burden for the taxpayers of that community to bear. There are no options. The minister has eliminated them.

He has ruled with an iron fist and he has said in defence of his government, to show action: "You are going back to work; and not only are you going back to work but the items you wish to negotiate are no longer negotiable. They are now settled by the mediator."

**Mr. McClellan:** That is why the member is supporting the bill.

**Mr. Davis:** No, I am not. I will respond in a very general way as to why I am supporting the bill. I am supporting it because my colleagues on the opposite side—the government—have very distinctly and intriguingly tied two pieces of

legislation together. To vote against the bill means I vote against the wellbeing of students and I would never do that. To vote for the wellbeing of students, the minister has put this House in jeopardy by saying, "You must vote for the wellbeing of the students; but to do that you must also vote for the direction my government and I are taking." It is a mandatory settlement that abrogates the process of negotiation under Bill 100.

To vote against the bill would mean students would be placed in further tremendous jeopardy. The young people in Wellington county on semestered school systems normally take four credits and spend 70 to 80 minutes a day on a subject. If we were to work it out, it means they spend about six hours a week on math, 30 hours per month. For the five months, that is about 120 hours, which is mandatory by the Ministry of Education for accreditation.

**Hon. Mr. Elston:** This is placing the House in jeopardy. Sit him down.

**Mr. Davis:** Let me finish. There is an unwritten rule that suggests students can miss a proportion of the 120 hours and still receive credit. Prior to the change of power—for some with the tremendous elation of a move and for others deep regret—there was in this province for a number of years this kind of proposition, not articulated but evident, that in recognition of the ability and the creativity of the teachers, the totality of a credit would be mandated, but teachers would be allowed some opportunity of experimentation and creativity to enliven the interest of students.

About 40 per cent of a course is therefore given to the jurisdiction of a teacher and 60 per cent is what we call the core curriculum, which is mandatory. When we work it on that kind of percentage in Wellington county, the young people are in jeopardy because they have lost now into that 60 per cent factor.

**8:50 p.m.**

One wonders what this says to students across the province. Does the minister say to young people in the province, "It is all right if you miss 10, 20, 30, 40, 60, 72 hours out of your subjects"—which the students have now missed in Wellington county—"you can still gain your credit," in the light of what the Education Act says about 120 hours in order to achieve a credit?

It seems to me that my colleagues in the government have been insensitive, and I say this in all due respect, to the Wellington county students. I do not think they have done this deliberately. I would not suggest for one minute

they have done it as a political ploy; I think it would be beneath them to do that. I might suggest, but I would be surprised, that perhaps the accord had something to do with it, that the leash of control had been loosened by their colleagues to my left and that it is now okay to bring a settlement; but I do not think they would do that either.

I just think they do not understand education. I think they do not understand the process young people go through. I do not think they understand what happens in a classroom.

**Hon. Mr. Fontaine:** Do you?

**Mr. Davis:** Yes, I do. I also understand the problems of the north.

**Mr. Foulds:** Is this clause-by-clause or second reading?

**Mr. Davis:** We might go clause-by-clause if the member would like to try it; I am pretty good at that, too.

What we have found through the Wellington strike is that Bill 100 has some deficiencies. With the understanding that across this province the majority of students, if they are not in fully semestered schools are in partially semestered schools, the primary deficiency is that there is no criterion by which the ERC defines a student in jeopardy. There is no criterion that the Minister of Education uses to decide.

I find it very difficult to believe a man of the minister's integrity, passion and concern has not been able to find time since the early beginnings of September, especially as we moved into the latter part of October and into November, at least to pick up the phone before a week ago Monday and ask the two parties to come down and talk.

That is government by distance: "Let the ERC do it. I phoned the ERC every day and talked to them." The problem is that they did not talk to the people. If I understand government, if I understand my responsibility, it is to talk to people. I want to say again that the people in Wellington county, as three members of the government have articulated very distinctly, believe the government is insensitive to their concerns.

With all due respect to my colleagues in the government, I suggest the process they are now following will bring elation for the moment because the children will be back in school, I hope tomorrow morning. However, when they sit down and see that this government has cut off the process by which their representatives could present to an independent third person their concerns and has taken a mediator's report—and the mediator has said "it is not fair, nor is it

just"—in order to get a settlement, then that government is in deep trouble.

It is another indication of their inability to listen and to be involved. All we asked through this debate was for the minister or the Premier to intervene personally and to sit down and talk. I have been informed that the phone calls of the chairman of the board were not responded to. I find that intolerable.

With respect to my esteemed colleague who is now the Minister of Education, I find it especially difficult to understand why he did not at least talk. In the past, as we went across this province on Bill 30, he was very interested in what people had to say. He went out of his way to afford opportunities for members of this party, the party to my left and the public to meet him. On this crucial issue, somehow he has forgotten that ability and he has distanced himself from a situation that needed compassion and concern.

I would seriously ask the minister to reconsider the legislation before this House, to examine the previous positions of government when it had to order back teachers who had withdrawn their services because there was an impasse. I suggest most strongly that he afford to the teachers, the school board and the public the opportunity to meet a mediator and through arbitration to defend their particular positions.

The minister's direction and the motion before this committee—not my amendment—again moves against public input. It moves against public interest because the minister has abrogated the natural course of negotiations. I implore the minister, as I implore the members of the government, at least to reconsider his position, to remove his recommendation and allow the amendment my party has put forward to carry in the name of justice, fairness and equality.

I reserve the right to ask more questions of my learned colleague later in the evening.

**The Deputy Chairman:** Does the minister wish to respond?

**Hon. Mr. Conway:** In the fullness of time, Mr. Chairman.

**Mr. Rae:** I appreciate the opportunity to speak in the debate. I was taken back to my Anglican childhood for almost an hour this evening.

**An hon. member:** Kidnapped.

**Mr. Rae:** I was almost kidnapped in an intellectual sense. That would be the word to use. I do not know how Elijah or Moses would have voted on Bill 63, but I would be very surprised if they would be supporting the member for



Scarborough Centre in some of the more outlandish arguments he made this evening.

What he represents and what he has represented is not some position of theological rationality, not some position of grandiose objectivity, not the position of final arbiter and not the position of abstract justice. What he represents is the position of the employer, the trustees in this dispute, who were rejected even by their own electorate in the county of Wellington. Those are the arguments the member has made this evening, and that is precisely why he is proposing the amendment he is putting forward.

**9 p.m.**

I did not have the opportunity to say to the minister on second reading what I want to say briefly to him now. I think he has done us all a disservice in failing to bring the parties together himself and to make the one final effort that had to be made in those last days to bring the parties together to be in that room for however long it would take to get a settlement.

I happen to believe there comes a time when the intervention by the minister to try to get the parties to come to an agreement is what we have to come to expect of Ministers of Education in every dispute of this kind. That is what my colleague the member for Sudbury East (Mr. Martel) recommended very strongly during the Sudbury dispute.

**Mr. Sargent:** It does not work.

**Mr. Rae:** I hear the honourable member's angelic tones. The former member for Wilson Heights used to sit in that seat, and the voice is disarmingly similar. It has the same buzzsaw angelic quality. I only hope his political longevity exceeds that of David Rotenberg.

**Hon. Mr. Elston:** It has already.

**Mr. Rae:** That is right.

On reflection, I believe the minister will come to the conclusion that, as unpleasant and difficult as it may sometimes be, it is necessary for the minister to get involved personally and to go beyond the level of whoever has been handling the dispute before and indicate very clearly just what importance the government of Ontario attaches to reaching a reasonable settlement within the spirit of collective bargaining.

Collective bargaining, in my experience, is a very human and very malleable feast. It is something that has to show a degree of the realities of the bargaining situation and the realities of the interests of the students. I do not think the students have been well served by the delay. I do not think the students have been well

served by the legislation either. I certainly do not think the interests of collective bargaining have been satisfied by the legislation that is being proposed.

The only thing worse than the legislation that is being proposed is to accept the amendment put forward by the member for Scarborough Centre. I want to indicate why very clearly. I was in my office listening on the squawk-box to the comments that member was making, and they moved me out of my chair and into this chamber. The member was saying the Conservative proposal was a solution that not only had some kind of special quality of abstract justice to it but also was somehow to be seen as something the labour movement would be standing up to fight for.

I have some experience in these matters. I know most of the people who have been active spokesmen or leaders in the labour movement. I have met with a number of people on the shop floor and talked with an awful lot of people in the labour movement in my political career, and I have been vilified by members of the Liberal and Tory parties for having done so.

I want the member for Scarborough Centre to know I cannot think of a less helpful solution to this problem than to force both parties to play Russian roulette, to go back to square one, to pretend there has been no bargaining since January 1984, to pretend there have not been 400 hours of mediation, to pretend there has not been a long and protracted relationship between the two parties that must be brought to a conclusion.

I hoped, and I still believe, a negotiated settlement was the best solution and the most possible solution. I happen to believe that if the minister had intervened, a solution might have been possible. I also happen to believe that if that had not happened, the replacement of the old board with the new board would have produced an immediate result. Either one of those would have produced a result in almost the same time frame as has been proposed by the legislation. That is why we are opposed to the legislation and why at 10:15 p.m. we are going to be standing in our places opposed to it.

All I can say to the Tory party is, if it thinks the legislation is so God-awful, why does it not find the courage to stand up and vote against it so we can get the parties back to the bargaining table? I will tell the Tories why. Because they are ready to knee-jerk; they are the kind of knee-jerk opposition that says: "There are people out there who are unhappy. Let us try to slap them back to work, but let us do it not on the basis of"—

**Mr. Wiseman:** Let us do it for the children.

**Mr. Rae:** The member says, "Let us do it for the children."

**Mr. Wiseman:** Let us hear about them.

**Mr. Rae:** Let me say to the member for Lanark, yes, of course, but let us not pretend. The members of the Conservative Party have no monopoly on concern for children in the public school system. No party has a monopoly on that concern. We are all concerned about the children. What we are determined to do is to find a solution that makes the most sense for the kids, the teachers, the board and the taxpayers. That is what this is all about.

I say to the members of the Conservative Party who are proposing this amendment, we are in a position where we have to choose between two proposals for an enforced settlement. One proposal, put forward by the Conservative Party, is to go back to square one; everybody get a new lawyer—that will be good for the bar association—prepare a new brief, go back to square one and go back over all the old arguments, but do it according to the very restrictive rules for arbitrators set out in Bill 111, which the Tory Party imposed, which the Liberal Party voted for and which we voted against.

There is not a labour negotiator, there is scarcely an arbitrator in this province who has any degree of respect for the restrictions and shackles that have been placed on arbitration by Bill 111. That is one very profound reason why we have no intention of supporting the amendment that has been placed by the member for Scarborough Centre.

What we are suggesting and what I believe the minister is suggesting is that a settlement should take account of the history of negotiations between the two parties. What is arbitration? Is it some kind of abstract justice that falls from the sky? Is it something that falls from the heavens when somebody comes down and says: "Here is your agreement. Be grateful. I have found you the abstract, just solution." We get some nice person who knows nothing about the problem, who has never been there before, who knows nothing about the history of bargaining between the two parties and who says: "Here is your settlement. Live with it for two years. Why not live with it for three?"

Our experience has been that it does not work very well. In fact, the parties have a hard time living with that kind of agreement. All kinds of things are brought into the agreement that are extraneous to the life between the two parties. That democratic give and take which is part and

parcel of the wonderful democracy that can be collective bargaining and that should be the world of relations between employers and employees is frequently ignored as some arbitrator tries to find the abstract solution to a problem.

I say with all respect to the member for Scarborough Centre that I would have thought of a practical, Aristotelian approach as opposed to a Platonic approach, which I know he would adopt, an approach that would say: "Let us look at the reality of this relationship between the two parties, at the ground that has been made up, at the 400 hours of mediation, at the fact that bargaining goes back to January 1984. Let us look at the fact that there has been unsuccessful, difficult bargaining—not a pleasant process; it is not one anyone can look back on with any tremendous degree of pride."

The fact of the matter remains that two mediators have been appointed, Mr. Stockton and Mr. Bernstein. They have met with the parties for hundreds of hours. I think one can fairly say Mr. Bernstein's proposal represents some kind of indication of where all this grist and chafing between the two parties was wearing down.

I happen to believe, with the experience of Mr. Bernstein and Mr. Stockton behind him, the minister would have been able to get those parties to reach an agreement, not in the best of all worlds but indeed in this one. The minister has decided otherwise. I happen to believe one has to have that one face-to-face session before coming into this House and making this kind of a conclusion. One has to have that one-on-one before being able to say, "I, Sean Conway, Minister of Education, have done everything possible to see that a settlement was reached."

I do not think the minister can say that, which is why we are voting against the legislation.

**9:10 p.m.**

**Mr. Cousens:** Well, we agree on something.

**Mr. Rae:** I know the members are going to be there at 10:15 p.m. They are going to be there, ready, aye, ready, voting with these guys, just as they always have on every piece of compulsory arbitration, every enforced settlement, every attack on the labour movement. These two parties have been together, and they will always be together when it comes to those kinds of issues. Nothing will change. We will have sanctimony of the highest order, but every time when it comes to a vote the mace will have to be replaced by a crowbar when it comes to labour relations matters between Liberals and Tories.



As we have always said, they are always stuck together on these issues.

**Hon. Mr. Kerrio:** That is not fair. Good things come out of this Legislature. That is an unfair statement.

**Mr. Rae:** I say to the Minister of Natural Resources that it would be a mistake in labour relations terms for a government to say to the parties and to say about the mediation process that it has all been a complete and utter waste of time. I would have thought a wiser solution would have been to say, "Let us try to take that last step and get the parties together, get them in the office, talk to them, lock the bloody door if that is what we have to do to get the agreement." That is what was not done.

Since the minister did not do that, I do not think the answer is to introduce some *deus ex machina* out of the sky, saying: "Let us go back to scratch. Forget all about the mediation and bargaining; throw all that into the wastebin of history. Let us start from scratch and produce some agreement out of the sky under Bill 111, which restricts the right of employees and severely ties the hands of arbitrators." That is an even worse solution than the one being proposed by the government.

I want to indicate to the minister that I think more could have been done. I think it would have been possible to go that extra few feet to reach a settlement. I know the minister takes a different view; obviously that is why he came into the House. I also know the Premier takes a different view, but I happen to disagree with that.

I say to the member for Scarborough Centre that the solution he is proposing is nothing more or less than the position that has been put forward by the employers in this dispute. It would be unbecoming for this Legislature, if I may say so once again, to merely do the bidding of employers in public sector disputes. Life is hard enough as it is without this Legislature adding its heavy hand to the already heavy hand that has been so clumsily wielded by the Wellington county trustees in this matter.

With that, I simply indicate that we will not be supporting the amendment proposed by the Conservative Party.

**Mr. Davis:** Are you going to support the bill?

**Mr. Rae:** We will not be supporting the bill. Interjections.

**Mr. Chairman:** Order.

**Hon. Mr. Conway:** It is a committee of the whole debate, as the opposition House leader

realizes, and honourable members are free to engage in—

Interjection.

**Hon. Mr. Conway:** I recognize that the official opposition has additional interveners.

I must say that any debate ranging from a reference to the prophets Elijah and Moses to a reference to a *deus ex machina*, one comparing an Aristotelian solution versus a Platonic solution, is certainly a debate worth joining. It has been an interesting evening. I am sorry I did not get to the dentists' dinner, but obviously it has been a pleasant evening.

As always, I listened with great interest to the views of the members of the House. I must say at the outset that on behalf of the government I want to indicate our rejection of the amendment put by the member for Scarborough Centre. In dealing with the amendment, I want to touch on a number of the issues and questions he put during—

**Mr. Martel:** Is the minister responding? Other people might want to speak.

**Hon. Mr. Conway:** I realize that, and I do not want to deny them that opportunity. I do not want to be put in the unhappy position I was in earlier today when I was squeezed against the adjournment hour at six o'clock. Those who know me know that—

**Mr. R. F. Johnston:** The minister did not get past the preamble.

**Hon. Mr. Conway:** My friend the member for Scarborough West is quite right.

**Mr. McClellan:** The minister should get on with the main body of his speech.

**Hon. Mr. Conway:** I have learned in my new responsibility, and my friend the member for Bellwoods should know that. I shall try to be more pointed in my remarks, and I shall do that this evening.

**Mr. Laughren:** We will believe it when we see it.

**Hon. Mr. Conway:** The member should believe it.

I was interested to hear what the member for York South (Mr. Rae) said. I appreciate his advice. Obviously, I do not agree with it, and I will deal with the matter of my personal involvement in a few moments.

It was interesting listening to the member for Scarborough Centre make representation on this matter in the light—

**Mr. McClellan:** That is not true.

**Hon. Mr. Conway:** It is true. It is quite interesting listening to the member for Scarbor-

ough Centre making representation on this matter. As we all know, he brings to bear considerable experience in these matters of educational policy.

**Hon. Mr. Bradley:** He was against Bill 127.

**Hon. Mr. Conway:** My friend the member for St. Catharines reminds me of that with which he has been associated on previous occasions.

It is interesting that for so many days the official opposition prevailed upon the minister to end the dispute in Wellington county because the patience of the official opposition had long ago been exhausted. It is said that surely the Minister of Education must have known that in early November the chairman of the Wellington County Board of Education had determined that a state of jeopardy existed in that county.

My question to the member for Scarborough Centre is, since when has it fallen to one of the involved parties to make a determination of jeopardy?

**Mr. Harris:** Nobody else was interested.

**Hon. Mr. Conway:** I say to my friend the member for Nipissing, who knows too much about the reality of the process, that is just not so. I guess I have to come back to the process.

**Mr. Harris:** The members of the New Democratic Party called on the minister to do the same thing we called on the minister to do, to get involved.

**Mr. Chairman:** Would the member for Nipissing please wait? He will have his chance to speak later.

**Hon. Mr. Conway:** As Minister of Education, I came to the responsibility quite knowledgeable about what Bill 100 contained by way of process and mechanism. I would be the first to admit that like a lot of other enactments of this assembly, it is not perfect and we may want to review it.

I have said to my friend the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson), and I will repeat it now: an all-party committee to look at Bill 100? To be sure. He should come to the estimates of the Ministry of Education, which will be considered by an all-party committee of the Legislature that I gather is going to be the standing committee on general government this year.

He should come to the estimates of the Ministry of Education and make representation as to what it is he thinks should be done with respect to the School Boards and Teachers Collective Negotiations Act. As Minister of Education, I would be most anxious in that

all-party committee of the Legislature to hear the representations of honourable members.

**9:20 p.m.**

The legislation clearly sets out a framework, a timetable and a mechanism. One of the most important aspects of that legislation is the Education Relations Commission, which has a clear responsibility to monitor the dispute situation and to make a finding of jeopardy. That is the rule by which we play this game so long as Bill 100 is in place. My friend the member for Sudbury East knows that, my friend the member for Nipissing knows that and my friend the member for Scarborough Centre knows that.

I am interested to know what one of the parties in the dispute feels about the jeopardy question. I take note that the chairman of the Wellington County Board of Education had been for days and weeks calling for a legislated end to the dispute.

**Mr. Martel:** Sure. They do not have to negotiate then.

**Hon. Mr. Conway:** I take note of that. As I said, I had two conversations with the honourable gentleman, the chairman of the Wellington County Board of Education, and let me repeat for the benefit of my friend the member for Scarborough Centre what I said to him. I said I expected both parties in that dispute to come together and to work it out between themselves. I wanted those parties to know that I meant what I said, that it was not just an innocent little homily and that the chairman of the Wellington county board would be very wise to hear what I was suggesting, because he might be surprised to find that a legislated intervention did not satisfy his every requirement. I repeated that on at least two occasions.

My friends ask, "Why did you not get involved?" The leader of the New Democratic Party invited that question. What happened last week? A lot has been said about what was so different on Monday, November 25, from Wednesday, November 20. Let me just review the last eight or nine days in Wellington county, because it was a week ago Friday night that we—

**Mr. McClellan:** Never mind.

**Hon. Mr. Conway:** For the benefit of the House, particularly the members of the New Democratic Party who quite wisely offer advice, to which I listen very carefully, I do not want my friend the member for Bellwoods to become impatient but I do want him to know what—

**Mr. McClellan:** I do not want to know about the last eight days in Wellington.



**Hon. Mr. Conway:** I am simply going to take the member for Bellwoods through the last few days to have him understand why I have done what I have done.

It was a week ago Friday night that both parties in the Grey dispute came to a tentative settlement. It was a tentative settlement that had not been predicted, because it was argued by many in this House that there would be no settlement in Grey. They came to a settlement a week ago Friday night. I had some expectation that the settlement in Grey, which was ratified last Wednesday night, would perhaps have a salutary effect on the negotiations in Wellington, and I wanted to see whether such an effect would obtain.

By early last week it was clear that the Grey settlement was not having any appreciable effect on the negotiations in Wellington, so on Tuesday of last week I asked the chairman of the Education Relations Commission to invite both parties from Wellington to Toronto to see whether a change of venue might alter the circumstances of the negotiations.

That was done. Both parties came to Toronto in mid-week. While it is true that both parties met with the mediator on Thursday, the chairman of the Education Relations Commission, Dr. Bryan Downie, and I were standing by, ready to get involved if, on the basis of the information being supplied by the mediator, our intervention might help the situation.

Regrettably, when the parties met in Toronto last Thursday, there was no progress to report; to the contrary, the parties seemed to be going in the other direction. Our very able mediator in that dispute suggested to me that a personal intervention by the minister would not help the situation and I chose to follow that advice. I am interested but not upset to hear that some honourable members in this assembly choose to differ with me, but I take my responsibilities seriously and I will exercise the authority the government has placed in me in so far as these matters are concerned, I am quite happy to tell members of this assembly.

On Friday the Education Relations Commission met and, with no encouragement from me whatsoever, made a finding of jeopardy in the Wellington county situation and so communicated to me late Friday afternoon. I say to my friends in the official opposition that upon receiving that advisement of jeopardy and recognizing at that time we were at the 49th instructional day with very little prospect of a negotiated settlement, I was quite prepared to meet my cabinet colleagues

on Monday morning and fulfil the responsibility vested in me as Minister of Education.

I do not care if some members in this assembly tell me they would have done otherwise. It was my decision to make and I am quite prepared to make it and face the responsibility. The buck stops on my desk. I make no denial of that. I am standing here with a government action I am quite prepared to defend. The people will judge me and this government in that connection.

I was asked why I did not meet both parties. Upon receiving cabinet authority on Monday morning, I called both parties to my office and told them what the intentions of the government were.

**Mr. Davis:** The meeting lasted three minutes.

**Hon. Mr. Conway:** I do not think it lasted three minutes. It might have lasted 90 seconds and I hope the message was very clear.

I said: "Listen, there will be for you, the parties in Wellington county, one last opportunity to do what most other parties in most other disputes are quite able and willing to do; that is, find the best solution, which is a negotiated solution. Rooms are available across the way at the Sutton Place Hotel this very instant for you to retire to that place to get on with it. We will not call this bill for third reading until late tomorrow evening, so you have 36 hours to get on with it."

**Mr. Rae:** Why would they not?

**Mr. Davis:** They already gave the minister a mandate.

**Hon. Mr. Conway:** The members have made their case. They are not going to support us in this initiative. I respect their views on that matter. I am trying, with all due respect, to explain some of the timetable and some of the process that brought me to this conclusion.

**Mr. Martel:** The minister left it too late. The timetable was screwed up and the minister knows it.

**Hon. Mr. Conway:** I say to my friend the member for Sudbury East that it is my responsibility and I am explaining how I came to this matter.

**Mr. Martel:** You should have followed a little advice sooner. Some of us have been through this before.

**Hon. Mr. Conway:** Yes.

**Mr. Chairman:** Order. Would the minister please address the chair and it is more likely there will be fewer distractions.

**Hon. Mr. Conway:** My friend the member for Sudbury East says some of us have been through this before. How right he is.

This Minister of Education, seven or eight years ago in his responsibility as a member of the opposition, was part of a secondary school dispute that lasted 44 days in late April, May and early June of that school year. I want to share one of the memories I have of that experience with my friend the member for Scarborough Centre.

In that Renfrew dispute in 1978, the ERC made a finding of jeopardy that the government of the day, I think a Conservative government, chose to ignore. They said at the time, "It is very interesting that the ERC has made a finding of jeopardy in the Renfrew county secondary school dispute, but the government chooses to ignore it and we expect both parties to settle."

**Mr. J. M. Johnson:** How many days?

**Hon. Mr. Conway:** I think the finding was made after 41 or 42 days. Interestingly, a settlement was arrived at a few days later. In the dispute in Sudbury, to which the former House leader of the third party makes continuous reference, a finding of jeopardy was made at the 47th day. A negotiated settlement was arrived at 10 days later.

9:30 p.m.

**Mr. Martel:** We asked the minister to intervene personally and she did.

**Hon. Mr. Conway:** Because the member for Scarborough Centre invited my comments about jeopardy, I am simply telling the members what the legislation calls for. I take a determination of jeopardy from the Education Relations Commission.

I received that late Friday afternoon and I chose to act on Monday, not only on account of what the ERC was advising but also because of what was being suggested about the state of negotiations and the likelihood of a negotiated settlement. I chose to go to cabinet on Monday morning to seek approval for what is now Bill 63.

It is interesting that the member for Scarborough Centre pointed out that never before has any government intervened in such a fashion. It is true that the dispute resolution mechanism that is contained in Bill 63 is different. How different is rather interesting and we want to talk about that in just a moment.

I was interested to hear this afternoon the very learned member for Burlington South (Mr. Jackson) suggest, along with others in the official opposition, that Bill 100 clearly suggests binding arbitration is the sole dispute resolution mechanism. The official opposition made repeated references to the fact that binding arbitration is all that is intended or contemplated in Bill 100. It is

interesting that Bill 100 makes reference to binding arbitration and final-offer selection, but it does so on the basis of where both parties agree that is the mechanism that could be agreed to; it is only a voluntary means. The member for Nipissing, among others, knows that.

I have said, and I repeat, that this government and this minister intend to send a clear signal to the educational community that it will not get from this Legislature any better deal than it would have been able to have negotiated itself. It is very important for those who have it in their minds that, "Let us not negotiate, let us take it to Queen's Park and they will have to give us an opportunity to thrash the old straw."

I have no interest in bringing in another arbitrator in this Wellington county dispute after—as the leader of the New Democratic Party pointed out—we have had more than 500 hours of mediation, 300 of which were mediated over the last two or three months by the very able and experienced Norm Bernstein.

I am reliably informed that the mediator's proposal, which is not only comprehensive but I believe is also very much a fair and reasonable one, is in net effect about the kind of settlement that the parties would have negotiated, or in net effect the kind of settlement that an arbitrator is likely to produce. That is the judgement I have made on the basis of some expert advice provided to me by the Education Relations Commission.

**Mr. McClellan:** Time.

**Hon. Mr. Conway:** I will, but sometimes I get provoked by some of what is said.

**Mr. McClellan:** The minister is in love with the sound of his own voice.

**Hon. Mr. Conway:** No, I am not. I want to say to the member for Bellwoods that I have been very careful to be silent as all other members have spoken. He is going to have to listen to 20 minutes of me in this debate, I am sorry to say. I have always appreciated his interventions.

To the member for Scarborough Centre who said, "Never before have these kinds of things been written into legislation," I want to point out a little history which he will know. If he does not, the member for York Centre (Mr. Cousens) will quickly point out to him that in 1974 the sainted Tom Wells of happy memories, in legislating an end to the dispute between the York County Board of Education and certain of its teachers, put in that legislation a salary grid below which the arbitrator could not go.

The member for Scarborough Centre might like to go back to the annals of this Legislature in 1974 to inquire about that legislation and how it



contained a salary grid below which the arbitrator who was being brought in could not go. That is part of the Conservative past.

I believe very much that what we have in this legislation is a fair and reasonable adjudication of a strike which, in my view, has gone on too long. Yes, I take very seriously my responsibility to the 8,200 secondary school students in Wellington county.

I have said to the member for Wellington-Dufferin-Peel, when I am asked whether I am aware of the anguish, pain, suffering and dislocation in that county and how can I be so heartless as to appear not to respond to it; yes, I know the dislocation and the difficulty of these disputes. I have great faith in the reasonableness and good judgement of the people of Wellington county. My question to the questioners is: what is it about the parties in Wellington, the good people who are representing the board and the teachers at these negotiations, that they are so apparently insensitive to this difficulty in communities such as Guelph, Erin, Alma, Harriston, Palmerston and all those other wonderful places in that great county of Wellington? Surely they have a first-line responsibility to deal with that community pressure. They have chosen not to do so.

This government and this minister are quite prepared to discharge their responsibilities. We will do so tonight with the passage of Bill 63. Not with any particular joy; because the New Democratic Party spokesmen are quite right in repeating what I said here yesterday: this is not the best way. The best way is a negotiated settlement. I regret to say that, after we have exhausted what I believe are all steps and all reasonable measures, apparently we are not going to achieve a locally negotiated settlement in Wellington county.

Therefore, this government will act tonight, with the support of this Legislature, to get on with the business of bringing an end to the 51-day-old dispute, reopen the schools, begin the process of building a better relationship between the new board and the secondary school teachers, and take every possible measure to ensure that those students graduating this year from Wellington county secondary schools into post-secondary institutions will be provided for, as my colleagues in the Ministry of Colleges and Universities have given every indication they will be.

**Mr. J. M. Johnson:** I take exception to the comments made by the member for York South. He talked about the give-and-take relationship

between labour and management. He talks about intervening in this process. He implies everything is okay if one leaves the two parties alone.

What about the students? Is the member not concerned about them? Why does he not talk about them once in a while. It is always labour or management, never the kids. My people in Wellington-Dufferin-Peel are very concerned about the students and it is time the third party took some interest.

I would like to ask the Minister of Education, in good conscience, why does he keep saying we can review Bill 100 and the Matthews report in his estimates when he knows that with the limited time available we cannot even get into it, let alone have hearings or any public input? It is an impossibility and the minister is hiding from the fact he does not want to review it. He has to look at it.

I would like to emphasize one concern I have expressed on numerous occasions, and that is lack of protection in the legislation for our students. I requested the government's intervention in the strike several times in the past couple of months. I was told we could have a locally negotiated settlement, but that is not going to happen. After 52 or 53 days we are heading for a new record. Finally the minister has decided to move.

The Sudbury settlement took 56 days but it was not a semester system and part of that time was in July, when the education process was over for the summer. This has been one of the most destructive teachers' strikes in the history of Ontario. If members question that statement, I challenge them to go to Wellington county and talk to the parents and teachers and students and other people involved. Wellington is one of the most wonderful counties in this province, with friendly, kind, gentle people who have been torn apart by this strike. It has pitted neighbour against neighbour and friend against friend. The question I ask is why.

**9:40 p.m.**

In Wellington it has long been acknowledged by most people that an early settlement to this strike was impossible. I brought this to the attention of the Minister of Education on numerous occasions and to the Premier. They both repeated the refrain that only a locally negotiated settlement would be acceptable and that it was the responsibility of the members affected—that is, the member of Wellington South, the member for Grey and I—to go home and encourage both parties to settle. So we went home and encouraged both parties to settle, and

all we did was to stir up more animosity, more trouble and more friction. There has to be a better mechanism.

Some members in this House, especially the members of the third party, have indicated that, if left alone, everything is going to resolve itself and there will be no problem.

**Mr. Martel:** Aw, put it in your ear.

**Mr. J. M. Johnson:** Perhaps that is true, I say to the member for Sudbury East, but I have just one question: how long does he want to let it happen? Just so it goes past 56 days?

Does anyone in this House consider the students of this province to have any rights, let alone equal rights? I do and my Progressive Conservative caucus does, and that is why we are supporting Bill 63 and the amendments proposed by the member for Scarborough Centre.

In a local paper this past weekend there was an advertisement promoting the Futures program of the Ministry of Colleges and Universities. It is an excellent program, but on the opposite side of the page was a story about the strike, about the students who would not have any future because they had to leave the school system because the same government that is promoting the Futures program would not take the responsibility to do something to bring the students back to the schools so they could gain an education and have a future in this province. Where is the future for these students? Where is the minister?

Since the strike started 11 weeks ago, the students and parents have asked me why the system does not protect the students' right to an education, and I have not been able to give them a satisfactory answer. I did promise them one thing. I would do my best to try to bring about a change in legislation to do that very thing, and I have only started. Tonight let us pass legislation to bring about an end to this strike, and tomorrow let us move to bring in legislation to give our young people equal rights under Bill 100. Surely the minister and the Premier will have the intestinal fortitude, the courage and the sense of responsibility to our young people to do at least that much.

I will leave the minister with one thought. Thomas Henry Huxley said, "It is not who is right but what is right that is of importance." Tonight I am talking about the rights of our young people, 8,200 students in Wellington county. It is not who is right, the board or the teachers, but what is right. Is it right to take away the future of young people for any reason? That is of importance and that is the question the members of this House will have to answer later

this evening when they vote on this bill. May they vote for what is right, not for who is right.

**Mr. Chairman:** Would the leader of the third party and the Treasurer have their conversation elsewhere instead of in front of the Minister of Education?

**Mr. Martel:** If I could use the word "provocative" in this House I would use it tonight; but I cannot use it, so I will not.

I sat through a strike of 56 days and I have listened to the pompous comments of my colleagues to the right about the children. I wonder where they were during the Sudbury strike. I wonder where their government was then. I recall well that strike went on for 56 days.

**Mr. J. M. Johnson:** Did the member ask for an intervention?

**Mr. Martel:** I am going to come to that. The members of that party did not say a word. They were silent because it was a Tory government then. They did not have the courage to say a word because the member for York Mills, the former Minister of Education, might have bopped them. She would have put them in their places very quickly. They did not say a word.

I have heard the sanctimony about the kids. As a teacher, I worry about kids, but I also worry about the type of settlement that is being imposed. I asked the minister last week to bring both parties in because it was time he met with them both. That is how we resolved the strike in Sudbury. On the appropriate occasion I said to the then government House leader, my friend Tom Wells: "I think they are ripe for the plucking. Bring them both in. Sit them down in a room."

**Hon. Mr. Nixon:** Can members not imagine the member for Sudbury East and the member for York Mills bringing them together in sweet reasonableness?

**Mr. Martel:** She did not. I have heard it was anything but sweet reason. When my friend the former government House leader brought them in, or persuaded the then minister to bring them in, she met with them for 12 hours and at the end of 12 hours we had a settlement that was not imposed.

That type of settlement is wrong, but it is not as bad as what is being offered. My wife went through a strike last May during the election and they agreed to binding arbitration.

**Hon. Mr. Nixon:** The things that lady goes through.

**Mr. Martel:** Yes, I do not go shopping at night.



In binding arbitration, the arbitrator, who was none other than Mr. Bernstein in the strike my wife was involved in last year, said to the board, "One of the things you have to determine is to lay down guidelines for personal day leave." Just a week ago Friday, my wife was at arbitration. The board having been told by the arbitrator that it had to come down with the criteria for personal day leave, seven months later there is a whole raft of arbitrations because the board has not bothered to follow what the arbitrator said it must do, that is, lay down the criteria by which people would have personal day leave.

As I said a week ago on this issue in the emergency debate, in the separate school board in Sudbury I venture to say there will be another strike this year because what the arbitrator told the board it had to do, the board has chosen not to do. We can try to impose things if we want, but when one side decides it will not listen and will not reflect what it has been instructed to do, that just creates more animosity.

I listened to the nonsense from this side of the House about imposing arbitration and the silly amendment, because Tory members did not want simply to support the government. They had to have something different. That is really what it is. If they knew anything about arbitration and collective bargaining, they make worse sense unless they want to say it is an essential service. If they want say it is an essential service, then they are going to end up with more than they have now. They cannot have it both ways.

They cannot even have it both ways when they go after the government of the day, because in the Sudbury strike they were found wanting. None of the Tories, and many of them are sitting on that bench, said a word about the strike in Sudbury. Maybe that was because a Tory riding was not affected. They sat there with their fingers in their ears and their brains in neutral, the same place they are tonight.

**Mr. R. F. Johnston:** They are in reverse tonight.

**9:50 p.m.**

**Mr. Martel:** Are they in reverse tonight? I thought they were in neutral. They did not say a word. George, you were in cabinet. Why did you not say something? It was not a Tory riding, was it, George? You could let them—

**Mr. Chairman:** Would the member for Sudbury East please address the chair and cease using first names in the House. Address the members by their riding.

**Mr. Martel:** Whom did I call by his first name? George?

**Mr. Chairman:** Several people.

**Mr. Martel:** Sorry, pardon me. What is his riding? Some obscure name such as Durham West.

He did not worry. You will recall that Mr. Chairman. You were here, I believe. No one from the Tory side of the House seemed to be overly concerned about the kids in Sudbury in the middle of that strike, which lasted 56 days. I believe it was the longest in the history of this province.

When I hear the pap and the sanctimony out of those jokers, it is a little tough to take. When they come in with a solution that is not going to resolve a thing, it is even worse. They stand there as though they know something. They know something about preaching, but collective bargaining, I am not sure.

**Mr. McClellan:** I am not so sure about preaching after tonight.

**Mr. Martel:** Maybe I am wrong on the first two.

I told the minister a week ago to take one kick at the can of bringing both sides in, to lay a heavy on them that he wanted a settlement. Then the timetable the minister gave was really irresponsible. We have heard tonight how long it took. However, if the minister had sat with them over the night for 10 or 12 hours, he might have got—I know he is tired. He is an old man.

**Mr. R. F. Johnston:** He should have brought in the member for York Mills.

**Mr. Martel:** I would not wish it on him.

It happened in Sudbury. They both reach a point where they want somebody to resolve it for them. They really want somebody to step on them and say, "You are going to settle." The minister could have done it without this.

My friend knows 51 days has now become the benchmark for strikes. We know if we get one into 25 days from here on in, they will sit around and wait. They know. They will say good old—I cannot say Sean, can I, Mr. Chairman?

**An hon. member:** No. The minister.

**Mr. Martel:** Right. The minister.

They will say as it gets closer to 51, the minister is going to start talking about legislation, and they will sit waiting for it. That is what the government has established when it does this. It sets the benchmark, which will be the benchmark for other people to reach. As they get near the end, they will get what they want. I suspect what most of them wanted was return-to-work legislation. The minister accommodated them, rather than sitting them down in a room, as

the former Minister of Education, the member for York Mills did. She sat with them and she really pushed them.

I asked my friend to do that. It would have been a lot better had he brought them in last Friday. The minister has nothing to do on the weekend. He could have sat with them and held their hands, both sides, on Friday afternoon, Friday evening and Saturday. Eventually, he would have had an agreement by late Sunday morning. He could have done it.

I find this sort of procedure the most offensive because it does not resolve anything. What is even worse is the proposal from my friends, who finally recognized the rights of children, although they did not do it in the Sudbury strike, which went for 56 days. Most of the members sitting on those benches tonight were cabinet ministers then. I could name some of them, George, could I not? I did not tell you which George I am talking about, Mr. Chairman.

**Mr. R.F. Johnston** The member for Dufferin-Simcoe (Mr. McCague).

**Mr. Martel:** Thank you for your help.

**Mr. R.F. Johnston:** No trouble.

**Mr. Martel:** They did not care. They wanted something different from what the minister has said, which is more draconian, because we can go back to square one. I wish he had followed a little bit of advice from us who have been through it. We went through the longest strike.

I must say my friend the member for Nickel Belt (Mr. Laughren) was threatened during that strike. We hung tough. We did not demand. My friend the member for Nickel Belt was threatened more than once, and we hung tough. It was not easy and it is not easy. I understand what the member went through, what my friend from Dufferin-Simcoe went through and what the minister went through.

Those are tough situations. We always say what about the kids. As a former teacher and the parent of four kids, I recognize the difficulties, but I also recognize that the only solution is a collective agreement arrived at by positive collective bargaining.

One can only achieve that when one forces them to bargain. One never achieves a lasting resolution of a problem by legislation forcing them back to work or even by arbitration. I venture to say to my friend the minister, that come next May we will see a strike in the separate school system in Sudbury because, although our friend Bernstein made recommendations, the board chose not to follow them. When that

happens, one is in serious trouble. That is what is going to happen here as well.

From here on in, people will find that benchmark. The minister, or some minister, will eventually use that as the benchmark, and we will never have a strike longer than that. The minister has done a hell of a disservice and I wish, with his youth, he would have followed a little advice; he might have followed those of us who have been around here a little longer.

**Mr. Runciman:** I want to point out one thing. I have been advised that the Minister of Education dredged up a 1974 example. I was not around here, but Bill 100 passed in 1975. It is not really an appropriate example to be indicating to the House in suggesting that the member for Scarborough Centre (Mr. Davis) was incorrect in what he said earlier in this debate.

I am going to make some brief comments. I thought it was quite interesting when the member for York South came in earlier and suggested that he rushed into the House after listening to the squawk-box and hearing some of the comments of the member for Scarborough Centre. We were talking about jeopardy, and I think that is really what precipitated the member for York South to rush into the House, because if anyone or anything is in jeopardy it is that party to the left.

I think he appreciated the accuracy of the remarks of my colleague and felt he had to rush in here to get something on the record to try to counteract the very honest and accurate statements the member for Scarborough Centre was delivering in his comments. We talk about sanctimony.

The member for York South also mentioned that our reaction in dealing with this bill is knee-jerk opposition. I think we would rather be knee-jerk opposition than phoney opposition. Let us face it. We have some credibility as an opposition and that is something they cannot say.

**Mr. Wildman:** Why are you voting for it?

**Mr. Runciman:** We will get around to it.

**Mr. Wildman:** It is pretty tough to be in opposition and still vote with them on this.

**Mr. Runciman:** Not at all.

We talked about a negotiated settlement being preferable. I do not think anyone disagrees with that. That makes eminent good sense. I agree with some of the things the third party has said with respect to intervention by the minister or the Premier. I think it would have been appropriate at an earlier stage. By his own admission, the minister suggested the meeting might have lasted



something like 90 seconds or three minutes at the most.

If he has been criticized, it is perhaps that this was bad judgement. I do not know. I think it was more inexperience in his new role. Perhaps he should have sat down with the parties and said, "We have to work hard, around the clock if necessary, to achieve a settlement; we are going to put you in a hotel room and we are going to resolve this thing," without saying, "If you do not resolve this in a day or two, I am going to legislate a settlement." I think that was an inappropriate way to proceed.

I may be wrong, but I understand the New Democratic Party supported Bill 100. As the minister has indicated, the Education Relations Commission has indicated that jeopardy has been found. Our member has suggested that although we agree with settlement of the strike and with the urgency of settling the strike, we have some disagreement with the particulars of the legislation and we are suggesting alternatives.

**10 p.m.**

I do not see any suggestions from that party with respect to alternatives. It is blindly voting against this and is ignoring the genuine problems and concerns of the school children in this province. In my view, it boils down to a feeble effort to distinguish itself from the Liberal Party, its bedmate since June. That is the essential purpose of what the NDP is doing here tonight.

**Mr. Martel:** We thought your party was voting with them tonight, as it did this afternoon.

**Mr. Runciman:** We think there are some things wrong, but we feel it is important to legislate an end to this and get the kids back to school where they belong, unlike the third party which seems to say: "Let this go on endlessly. Let the process work its way out, even if it takes two or three years. Who cares?"

**Mr. Martel:** Is that what the Conservatives did in Sudbury?

**Mr. Runciman:** Perhaps we have learned. The member was suggesting the former Minister of Education, the member for York Mills, would not intervene. I will remind him of Bill 124 in 1981, where the then minister did indeed indicate her interest—

**Mr. Martel:** Ahead of time.

**Mr. Runciman:** Ahead of time, she jumped in. That strike had been going on for more than two months and the then minister acted. We are not suggesting everything was perfect in the past, but we have learned; obviously the Liberal Party

has learned. The New Democratic Party has not learned.

We will put a couple of quick things on the record about the legislation and we want to endorse some comments made by some interested parties in this whom we support in their views. We feel it is ignoring the recommendations of the fact-finder. It ignores the provisions of Bill 111, the Public Sector Prices and Compensation Review Act.

It ignores the historical relationship between elementary and secondary teachers, and what should be important to the NDP, it ignores sound labour relations practice. It also denies the parties an opportunity to present their relative positions to an arbitrator who will make a decision based on the facts of the dispute and the merits of the positions of the parties rather than political expediency.

I am not a fan of Bill 100, as most members know from our debate on Bill 124, but this bill, with the amendment that has been proposed, I believe merits the support of the House.

**Mr. Wildman:** With regard to the time, I will speak very briefly. I will not deal with some of the rather silly arguments that have been made with respect to what was termed the "natural flow of collective bargaining" which apparently leads, according to the Conservatives, to binding arbitration; nor will I deal with the arguments that have been made very well this evening with regard to the failure of the minister to exercise proper influence to try bringing about a settlement before imposing this kind of legislation.

What I want to deal with are the comments that have been made repeatedly this evening concerning the fact that not enough has been said about the students. As a former educator, I am very concerned about them and I recognize the concerns that have been raised by members in the House tonight and by the parents involved about the immediate future for their children and the students in the secondary schools.

It is incumbent upon us, as legislators in a democratic society, to consider what effects this legislation may have on the views students have and what they learn about democratic rights in our society. I do not think anybody has addressed that this evening.

What are we as a Legislature, in passing this kind of legislation, teaching young people about free collective bargaining and how it operates in our society? What are we teaching students about the protection of democratic rights? What are we teaching them about responsibilities, both of

teachers and elected boards of education, in a democratic society?

I submit we are teaching students to be cynical about all of the pious statements made by members of all political parties about democracy and the rights and responsibilities of both parties when we bring in this kind of legislation, which basically tells everyone, not just the students but also the parents, the boards and the teachers, that there is no need to live up to one's responsibilities in negotiations to bring about a just and reasonable settlement, that because one can depend on a third party to come in and impose something, one does not have to make the compromises that are necessary in any real collective bargaining process.

For those reasons I cannot support either the legislation proposed by the minister or the silly amendments being proposed by the official opposition.

**Mr. Baetz:** I would like to speak very briefly on this in conclusion.

**Mr. Chairman:** Before you commence, might I ask all honourable members to carry on their private conversations outside or somewhere else, particularly not in the vicinity of the Minister of Education.

**Mr. Baetz:** We have heard a great deal tonight about the process we are engaged in here in trying to find some justice in this settlement. Those of us who have sat here for hours have drawn for inspiration on Moses, Jeremiah, Aristotle and even Huxley.

I have some concern about my very good friend the Minister of Education for the way he has conducted himself in the course of these very difficult negotiations, and my concern and my disappointment really rest on the great admiration I have for this young minister. I have sat here in this House on the opposite side. I have heard him speak with great inspiration over the years. I fully expected something very different when he went to the government side on the basis of what he had been saying on this side, and I have been slightly disappointed.

To illustrate this disappointment—as I say, we have been hearing about Huxley, Aristotle and Moses—I would like to quote a nursery rhyme that will illustrate the feeling I have about this young minister on this subject.

The nursery rhyme is simply this: "Pussy-cat, pussy-cat, where have you been? I have been to London to see the Queen." Of course, the moral of this nursery rhyme is, my God, what a fantastic pussy-cat, so extraordinary, so wonderfully different. Then it goes on to say: "Pussy-

cat, pussy-cat, what have you done there? I chased a mouse right under the chair." Then, of course, comes the enormous disappointment that this pussy-cat is just like any other pussy-cat and acts in exactly the same way.

In a sense, I have this kind of disappointment with the minister. We expected so much and yet we have found during the course of these very difficult negotiations that this young and good friend the minister really very quickly became a captive of the system, as may have been the case with other ministers who have gone before him in this House and in other Houses. My real disappointment was that he tended very quickly to become a rather passive captive of the system.

In the last few weeks he has come back time and time again and told us he has to conform to the process, he is a part of the process, he has to listen to the Education Relations Commission and so on. That has been a point of real concern in all of this. Then when he hears my distinguished colleague and when our party attempts to introduce an amendment that would try to improve the process, once again we see this young minister defend the system.

**10:10 p.m.**

How disappointing. How very much he acts like all other ministers of days gone by. So in all of this it has been a real disappointment that he has become really a passive captive of the system. I hope we will support the amendment, because really we all know that the process we agreed to some years ago was not perfect. Time has proven that. We have had strikes since then. We have known that students have been very seriously damaged in the process of these strikes.

We are trying here to improve the process and the system, at least slightly. Yet, instead of finding this young, exciting, intelligent minister saying, "My God, you know maybe we have something here; I am ready to support you," we find the minister falling back, protecting the system, protecting those nameless, faceless advisers, who say, "No, no, Minister, you cannot do that."

I appeal to the minister to have an open mind to improve the system because, as the member for Sudbury East said, there are going to be more strikes. We know that. There are going to be a lot more strikes and a lot of young students are going to be hurt over the years.

Frankly, as a parent of a student who was very seriously hurt in a long and protracted strike in the Ottawa Board of Education, I thank God she finally graduated with honours in English from Queen's University. She had to drop mathemat-



ics, however, because of the long school strike. It cut down her opportunities.

We are trying to improve the system. I speak here somewhat more personally than the young minister can. Some day he may marry a school teacher, as I have. Some day he may have children going through the system who will be hurt by it, as my daughter was. I hope we are not going to depend forever on some nameless, faceless group of people with the acronym ERC to determine when our children are in jeopardy.

**Hon. Mr. Nixon:** It is really good.

**Mr. Baetz:** Yes, I am going to wind it up right now.

**Mr. Wildman:** Never mind the Treasurer; the member did well.

**Mr. Baetz:** I would hope we could have more parents on panels such as this, so the minister would not simply throw up his arms in the last few weeks and say, "It is the ERC." The ERC has now come to the point where it has decided, in its judgement, that there are children in jeopardy. I suspect if more parents and students were on the ERC, the alarm signals would have gone up long before this.

Finally, I have one more thing to say to our distinguished party to the far left down here. We have heard tonight, as we have time and time again, that we are dealing with basic human rights and freedoms. It is all a part of this and we have to respect these rights; the rights of freedom of association, the right to strike, etc.

I suggest we cannot forget in all this the fundamental right the children of this province have: a right to an education. That is the basic right and, quite frankly, I have been very disturbed because that is one right that has been absolutely disregarded, overlooked and destroyed in this whole process. That is why I hope the members will support the amendment, to see if, jointly, we can improve the process and avoid these kinds of human disasters in the years to come.

**Mr. Ferraro:** I was not intending to speak again but, much to the chagrin of my colleagues, I am compelled. I cannot sit here any more without saying a few things. I do not know if I am ever going to make it in this business of politics. One of the advantages of being a rookie is that one can sit here objectively and listen.

I listened tonight to the leader and the members of the third party talking about history, as did other members, and talking about the rights of labour.

I listened to the members of the opposition talking at great length about history. They are so concerned over there that the Education Relations Commission is not working even though the legislation has been brought out. Their sincerity was shot down the toilet when their biggest concern today was to have the office of the Leader of the Opposition (Mr. Grossman) call the newspaper in my riding twice to make sure that he and the Conservatives got credit for this legislation. They can have the credit. Let labour get the credit.

Nobody in this House can tell me about my community. My community overwhelmingly wants legislation. It wants it now and the rest is all baloney.

**10:25 p.m.**

The committee divided on Mr. Davis's amendment to section 2, which was negatived on the following vote:

Ayes 39; nays 67.

Section 2 agreed to.

Sections 3 to 6, inclusive, agreed to.

Preamble agreed to.

Bill ordered to be reported.

On motion by Hon. Mr. Nixon, the committee of the whole House reported one bill.

#### WELLINGTON COUNTY BOARD OF EDUCATION AND TEACHERS DISPUTE SETTLEMENT ACT

Hon. Mr. Conway moved third reading of Bill 63, An Act respecting The Wellington County Board of Education and Teachers Dispute.

**10:30 p.m.**

The House divided on Mr. Conway's motion for third reading of Bill 63, which was agreed to on the following vote:

**Ayes**

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Bossy, Bradley, Brandt, Caplan, Conway, Cooke, D. R., Cordiano, Cousens, Curling, Davis, Dean, Eakins, Elston, Epp, Eves;

Ferraro, Fontaine, Fulton, Gillies, Gordon, Grandmaitre, Gregory, Grossman, Guindon, Haggerty, Harris, Henderson, Hennessy, Jackson, Johnson, J. M., Kerrio, Keyes, Knight, Kwinter;

Lane, Leluk, Mancini, Marland, McCague, McFadden, McGuigan, McKessock, McLean, McNeil, Miller, G. I., Morin, Munro, Newman, Nixon, O'Connor, Offer, O'Neil, Partington, Poirier, Pollock, Polsinelli, Pope;

Reycraft, Riddell, Rowe, Runciman, Ruprecht, Sargent, Scott, Shymko, Smith, D. W., Smith, E. J., Sorbara, South, Sterling, Stevenson, K. R., Sweeney, Turner, Van Horne, Villeneuve, Ward, Wiseman, Wrye.

### Nays

Allen, Breagh, Bryden, Charlton, Cooke, D. S., Foulds, Gigantes, Grande, Grier, Hayes, Johnston, R. F., Laughren, Lupusella, Mackenzie, Martel, McClellan, Morin-Strom, Philip, Pouliot, Rae, Ramsay, Reville, Swart, Wildman.

Ayes 84; nays 24.

The Honourable the Lieutenant Governor of Ontario entered the chamber of the Legislative Assembly and took his seat upon the throne.

### ROYAL ASSENT

**Hon. Mr. Alexander:** Pray be seated.

**Mr. Speaker:** May it please Your Honour, the Legislative Assembly of the province has, at its present sittings thereof, passed a certain bill to which, in the name of and on behalf of the said Legislative Assembly, I respectfully request Your Honour's assent.

**Assistant Clerk:** The following is the title of the bill to which Your Honour's assent is prayed:

Bill 63, An Act respecting The Wellington County Board of Education and Teachers Dispute.

**Clerk of the House:** In Her Majesty's name, the Honourable the Lieutenant Governor doth assent to this bill.

The Honourable the Lieutenant Governor was pleased to retire from the chamber.

The House adjourned at 10:40 p.m.



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No. 53

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**First Session, 33rd Parliament**

Thursday, November 28, 1985

Afternoon Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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# LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday, November 28, 1985

The House met at 2 p.m.

Prayers.

## DEATH OF MAX SALTSMAN

**Mr. Rae:** On a point of order, Mr. Speaker: I know the House would want to spend a few moments sharing my personal sadness and the sadness of our caucus on hearing the news this morning that Max Saltzman had passed away in hospital after a short and very courageous battle against cancer.

Max was my predecessor as Finance critic for the New Democratic Party in the House of Commons. He was elected in 1964 in a by-election in which his campaign manager was one of my predecessors here, Stephen Lewis.

Max was a maverick. He was an iconoclast. He was a very courageous man. He was a free thinker in many respects. He did not toe any party line, particularly the line of the New Democratic Party. But he was a great friend to all of us who liked to share his companionship and his sense of fun and dedication to the people of this country. He was a great Canadian nationalist, and he played a very active role in the questions around foreign ownership and in the work of the Committee for an Independent Canada.

Max Saltzman also served this province, not in a way I would have liked to make possible, but he did serve on the Inflation Restraint Board. It was just a few short weeks ago that I got a call from the chairman of the Inflation Restraint Board, who said Max had just told him he was suffering from cancer of the liver and he did not expect to be alive much longer.

Upon receiving that information, of course, I phoned Max and arranged to go around to his house to see him. The day before I went to see him he had held a press conference in which he had told not only those he was working with but everyone else as well that he was very ill. He got a lot of publicity on that day, and I jokingly said to him as I went to his house, "Max, you have been getting a lot of press lately." He looked at me, smiled and said, "You know, Bob, a lot of people would die to get this kind of publicity."

It was the kind of humour and the kind of courage he showed in the last few days of his life that I shall remember. I shall never forget the

conversation I had with him in his house, during which we talked about many things. We talked about the future of social democracy. We talked politics. We also talked a bit about life itself.

Max Saltzman showed a lot of courage in facing death, something that baffles and bewilders all of us. I sometimes think our culture has tried to do to death what the Victorian culture tried to do to sex: to deny it is there. Max showed tremendous courage in looking death straight in the eye and saying he was ready. He died this morning in hospital.

I want to take this opportunity to say farewell to Max Saltzman publicly and to say we salute his courage, decency, iconoclasm and fellowship.

**Mr. Barlow:** I would like to join my colleague the member for York South, who just spoke about Max Saltzman. Max was a former member of Parliament who represented federally the riding I represent provincially. He represented Waterloo riding, which later became Waterloo-Cambridge. He served for a good number of years before voluntarily retiring from the federal House. Prior to that he had served on city council in Galt and on the Galt Board of Education.

When Max joined Parliament, one of his more famous efforts was to suggest that the Turks and Caicos Islands become part of the Dominion of Canada. Unfortunately, he was not able to see it through.

Many years ago, during one of the federal elections, I ran into Max at a local drive-in restaurant and told him we were moving into an old house that had a fair bit of history associated with it. It had been associated in one way or another with several different religions. We had been gathering artefacts from different religions, and I said we had nothing for the Jewish faith. Within a couple of days, Max knocked at the door and presented a menorah to my wife and myself. That was the kind of person he was. He did not forget his friends. I counted Max as one of my friends.

Max had intended to run in the most recent municipal election to represent Cambridge on the regional council. I think he was the first person to announce his intention to run. Then at the press conference to which the member for York South referred, he told the public he would not be

fulfilling that commitment to run for regional council. The reason was his imminent death from cancer of the liver.

I would like to join with other members of the House in recognizing the contribution Max Saltzman made to the riding of Cambridge and to all of Ontario and Canada.

**Hon. Mr. Conway:** I want to join the leader of the New Democratic Party and the member for Cambridge in expressing on behalf of the government our condolences to the Saltzman family on the death earlier today of the former member for Waterloo-Cambridge.

For the past 10 or 12 years, I have counted Max Saltzman as a good friend. He was a former teacher of mine. When I was a student in the undergraduate faculty of Waterloo Lutheran University, Max Saltzman used to teach a seminar in Canadian government and politics, and I was one of his students. I agree very much with the words of the leader of the New Democratic Party, who indicated that Max was an iconoclast. He was a free thinker in the world of party politics, and that was certainly to his credit.

Just a few weeks ago Max called and wanted to have lunch. We had our last visit in this very building about three or four weeks ago at a very friendly and rather lengthy luncheon at which he talked widely about his experiences in public life.

On my own behalf and on behalf of my colleagues in the government, we mourn the passing today of one of the happy warriors of this business of politics. I have considered it a great honour and privilege to have counted Max Saltzman a very good friend over these past number of years.

**2:10 p.m.**

#### ANNUAL REPORT, PROVINCIAL AUDITOR

**Mr. Speaker:** I advised the House I would be tabling a report, and I think I should do it because a lockup has been held outside. I beg to inform the House that I have today laid upon the table the annual report of the Provincial Auditor of Ontario for the year ended March 31, 1985.

#### PREMATURE DISCLOSURE OF COMMITTEE REPORT

**Mr. Andrewes:** I rise on a point of privilege, Mr. Speaker. Last evening I became aware of a newspaper article suggesting a report would be tabled in the Legislature today from the select committee on energy regarding the committee's

recommendations to the government on the future of the Darlington nuclear generating station.

I am obliged to inform the House, as chairman of that committee, that the members of the select committee on energy have not authorized the tabling of any such report and that media comment on the committee's recommendations at this stage is purely speculative. In circulating draft copies of material to committee members, I asked specifically that the material be kept confidential until such time as the committee could meet to review it and reach agreement on the substance of its report.

I feel the privileges of members of the committee, and indeed of members of the Legislature, have been offended by this unfortunate action, and I ask you, sir, to remind all members of their responsibilities to the Legislature, so such incidents might be avoided in future.

**Mr. McClellan:** I was planning to rise on this point of privilege as well, Mr. Speaker. This is the second time in about three weeks that a report has been released to the public before it has been made available to the members of the House. In this case the document released was a draft paper that was part of the committee's in camera discussion. I ask you to rule that this is a matter of privilege and to refer it to the standing committee on procedural affairs and agencies, boards and commissions.

If the practice continues, I see very little point in having any committees hold any hearings in camera. If people want to make documents available to the public, there is no point to in camera proceedings. We are going to have to determine very soon whether honourable members can be relied on to treat confidential documents in a confidential way.

**Mr. Rae:** Mr. Speaker, I simply want to add to what my House leader has said by saying directly to the House that this is not only a question of committee reports. I read with great interest of the first-contract legislation in the *Toronto Globe and Mail*, in the *Canadian Press* wire copy and in the *Toronto Star*. In the case of CP, they not only had a copy of the legislation but also had a copy of the minister's statement and were able to quote from what the minister was going to say.

We in this party, if I may put it bluntly, take not judicial notice of this, we take political notice of this. Leaks happen, and they do not happen by accident, and we intend to govern ourselves accordingly.



**Mr. McGuigan:** Mr. Speaker, as a member of that committee, I want to register that I too feel my privileges have been abused. This matter should be cleared up. It places all of us who are on that committee under suspicion, and that is not a very pleasant position to be in.

**Mr. Sargent:** As a member of the committee, I want to say there is not a hell of a lot in it anyway. It is not that good.

**Mr. Speaker:** I am sure the member for Grey-Bruce has something to say on the point of privilege.

**Mr. Sargent:** I rise on a point of privilege, Mr. Speaker, if I can get away with it.

On behalf of the countless farmers and small businessmen who have been put out of business by the corrupt practices of the chartered banks, the case of the member for Riverdale (Mr. Reville) and the Canadian Imperial Bank of Commerce is only a small tip of the whole iceberg.

**Mr. Speaker:** Order.

**Mr. Sargent:** I am involved in this, though.

**Mr. Speaker:** I hope you are coming to the point of privilege that is on the floor regarding the leaking of the report.

**Mr. Sargent:** I want to talk about the whole mess.

**Mr. Speaker:** I say to the member for Grey-Bruce, if he wants to discuss this point of privilege he is in order to do that.

**Mr. Sargent:** This is a case of attempted theft and fraud on behalf of a chartered bank in my area some months ago. It is a problem we all have to deal with eventually.

**Mr. Speaker:** I appreciate that, but the matter you are discussing has been sent out to the standing committee on procedural affairs. It is under discussion in committee now.

Is there any other member wishing to make any comments on this point of privilege? If not, I would like to reserve time for judgement on this case. It is very similar to the previous one; I would like to see where that stands with the committee. I hope I can come up with some suggestion to tie it all in together. I will reserve my judgement for a few hours.

## STATEMENT BY THE MINISTRY

### ANNUAL REPORTS

**Hon. Mr. Eakins:** It gives me pleasure to table the 1984-85 annual report of the Ministry of Tourism and Recreation and the 1984-85 annual report of Ontario Place. It gives me added

pleasure to indicate that I will table a French version of the ministry report before the end of next month.

## ORAL QUESTIONS

### ROMAN CATHOLIC SECONDARY SCHOOLS

**Mr. Grossman:** I have a question for the Minister of Education. This morning the Progressive Conservative Party and its caucus contacted more than 50 public school boards across this province with regard to the directive issued by the minister and his staff to withhold from those public boards almost \$300 million in government funding for secondary school students.

In essence, the directive to the boards stated nothing more than that the cheques they were expecting to arrive next week were simply not going to arrive and were not being sent out by the government, supposedly because of the recent court injunction with regard to separate, not public, school funding.

I know the minister will be aware that those schools badly need that money to continue to pay their bills. He may be aware that those schools and the school boards have had to apply for bank loans to get them over the next period. They are all holding emergency meetings right now, essentially because of that directive issued without explanation or assurance.

The minister has effectively thrown the public secondary school system into chaos, so we heard from 50 public school boards this morning. Can the minister explain how he allowed this to happen?

**Hon. Mr. Conway:** Very easily. Surprisingly, the Leader of the Opposition does not have his facts straight. What has happened is this. Because of the reasons contained in the judgement of Mr. Justice Potts last Monday, I have taken the advice of the Attorney General (Mr. Scott), who has made it very clear that the court order that will flow from those decisions will require some clarification. We are in the process of seeking that clarification at this very moment because, as the Leader of the Opposition would want to know, this government intends to follow the law and to take the direction of the courts of this province.

We have simply put the school boards of this province on notice that we expect there might be some small delay in the normal transfer.

2:20 p.m.

**Mr. Gordon:** Now the minister is backing down.

**Hon. Mr. Conway:** Personally, I do not expect there will be any delay at this time. I fully expect—

Interjection.

**Hon. Mr. Conway:** I want to make it clear. Let me say to the opposition, and in particular to the Leader of the Opposition (Mr. Grossman), most of this unhappy situation would not have occurred if the former government had taken its job seriously.

Interjections.

**Mr. Speaker:** Order. Continue; but briefly, I hope.

**Hon. Mr. Conway:** For over 13 months the predecessor government did nothing to get on with the business of extending the separate school system.

This government has simply indicated as recently as this week to the school community that those allocations which would have flowed Wednesday, Thursday or Friday of next week will be held until we have a clarification of the particulars of the court order which will arise from the judgement of Mr. Justice Potts last week. I fully expect that we will be able to clarify the situation very shortly and will be in a position to flow the funds to the involved school boards either on time or a day or two after the dates mentioned.

**Mr. Grossman:** For some time, it has been the suspicion on this side of the House that the Attorney General is giving instructions to the entire government, including the Premier (Mr. Peterson), and the Minister of Education is confirming it.

With regard to his responsibilities as Minister of Education, let me outline the chaos that he has created by getting caught up in the overly cautious legalese of his colleague the Attorney General. In Lanark county, the board was to have received more than \$630,000. There are 3,000 students affected. That community does not know what to do in the next few weeks.

The Northumberland and Newcastle Board of Education heard yesterday that it will not be getting \$1.2 million—

**Mr. Speaker:** Question, please.

**Mr. Grossman:** Mr. Speaker, these are important facts that we must draw to the attention of the government.

**Mr. Speaker:** I agree with the honourable member that question period is a very important time of the day to ask questions.

**Mr. Grossman:** The Northumberland and Newcastle Board of Education is meeting tonight to decide what to do. The Waterloo County Board of Education is currently arranging a bank loan at an interest cost of \$18,500 for this month alone. In the Premier's home town, the London Board of Education expects to have to take out a bank loan and pay almost \$1,000 a day. It was expecting \$3 million from the government on December 5.

In those circumstances, can the minister explain the alleged competence of his government? It is now several weeks since the court decision came down. The Attorney General has given him some advice—

**Mr. Speaker:** Order. The question has been asked.

**Mr. Grossman:** With respect, the question has not been asked.

**Mr. Speaker:** Order. The question was asked. Do you want to ask it again?

**Mr. Grossman:** Yes, I do want to ask it again.

The court order has not yet issued. Ministry lawyers are meeting today or tomorrow to begin work on the draft order. Can the minister explain what his ministry has done to cause all these boards—50 of them—to be now in confusion, having emergency meetings and taking out bank loans, if it is, as the minister suggests, a delay of merely days?

**Hon. Mr. Conway:** The Ministry of Education has a standing practice of putting boards on a seven-day notice as to when the direct deposits will be made. The normal flow of events would have put the direct deposits on the account of the boards either next Wednesday, Thursday or Friday. We simply indicated, therefore, that there might be a very small delay. At this moment, I do not expect that there will be and there is no cause for alarm.

The regional offices of the Ministry of Education are indicating to all school boards across the province that the money will arrive either on the dates involved or perhaps one or two days later. There should be no cause for alarm and there is no need either for alarm or for borrowing on the part of the boards.

I find it passing strange to be lectured on the subject by the Leader of the Opposition, who in recent days has been seeking credit because he did not have the guts either to introduce the legislation or to get on with the business.

**Mr. Allen:** The minister knows very well that this had considerable potential for financial



embarrassment for the public boards of this province.

Inasmuch as the Attorney General, when he rose to report to this House on the finding of Mr. Justice Potts, used the words, "He ordered that the government not distribute any funds pursuant to its regulation until a full panel of the Divisional Court," etc., did the Attorney General at that time advise the minister that he was in difficulty in advancing general funds to the public boards on schedule? How long has the minister known this? If he has known it since that time, why has he not alerted the boards to the difficulty in which they might find themselves?

**Hon. Mr. Conway:** There are two issues here. There are the reasons contained in the Potts judgement of a week ago Monday, but out of those reasons will come a written order. That written order has not yet obtained, but we expect it will very shortly.

We are seeking a clarification of this, and I repeat to the member for Hamilton West (Mr. Allen) that there is no cause for alarm. We expect to have that order clarified in a very short time and, on the basis of that, the funding will flow. I repeat, the school boards involved will get their money either on the dates in question—December 3, 4 or 5—or, at the very outside, a day or so later.

**Mr. Grossman:** I understand the minister is trying to take the position that this is nothing the boards should worry about. But he must face the reality that 50 school boards contacted by this party this morning are out holding emergency meetings, are out borrowing money at the banks and are in chaos because proper direction obviously has not been given to them.

The minister's officials simply told the boards that the money was being withheld pending clarification. The minister did not tell them how long it would take; he did not offer any advice. One board, the Brant County Board of Education, asked for clarification in writing but was refused by the Ministry of Education.

Having put these boards in an impossible situation right now, what steps is the minister going to take this afternoon to clarify to the boards what his intentions are?

**Hon. Mr. Conway:** Let me repeat for the Leader of the Opposition that, first and foremost, this is a government that intends to abide by the law and to follow our court's direction. Let that be very clear.

If it is the view of the Leader of the Opposition that there is some uncertainty, we will once again contact the boards and indicate what I have said in this House. There is no cause for either alarm

or panic. That funding will flow, I suspect, on time for either December 3, 4 or 5.

All we require at present is a clarification of the court order so that we are not in any violation of the judgement of Mr. Justice Potts. But the school boards need not worry. We will see to it that they get the funding and that they get it either on time or perhaps at the latest a day or two after that.

**2:30 p.m.**

**Mr. Grossman:** I have a new question for the minister following upon that bland assurance. We now have many boards out there that, because of his inability to communicate what he intended—if, in fact, he has not just made it up on the spot here—are out borrowing money today. Will the minister give an assurance to those boards that if they borrowed money because of the direction he failed to give, or if they are going to have to borrow money because he did not know how to handle this circumstance pending the court decision, the government will pick up all of the interest costs and not burden the local taxpayers?

**Hon. Mr. Conway:** Let the Leader of the Opposition understand one point: the money in question is not due to those boards until the middle of next week. December 3, 4 and 5 are the dates in question.

I repeat to the Leader of the Opposition and to my friends across the way that we expect a clarification of the court order very shortly. I have every reason to believe we can meet the deadline involved, and there is, according to my finance officials, no reason that any board should be involved in any borrowing on this account.

**Mr. Grossman:** Might I remind the minister that we are talking about the public school boards, not the separate school boards, which were the subject matter of the court hearing. The money is being withheld because of his Attorney General's fear that a decision relating to separate schools might, in his opinion, affect the minister's ability to flow funds to the public boards.

Why would the Minister of Education not stand up for the public boards and say to the Attorney General, "The order has not issued yet"? Why would he not have said to him that the judgement was not definitive in terms of—

**Mr. Speaker:** Order. The question has been asked.

**Hon. Mr. Conway:** Very simply because we all know that the Attorney General is a vastly better lawyer than the Leader of the Opposition.

**Mr. Rae:** Does the minister not realize it is his responsibility in dealing with the boards of education in this province to indicate clearly and categorically to them—not in legalese, not by virtue of what is deemed to flow from Mr. Justice Potts's decision; but by virtue of his responsibility for public education—and does he not appreciate that it is his special obligation to be able to stand in this House and say that no board and no student in the public school system shall suffer as a result of whatever legal actions the government has taken? Can the minister not stand in the House on this day, make that kind of statement and give that kind of assurance to the population of Ontario?

**Hon. Mr. Conway:** Yes.

**Mr. Grossman:** Might I ask the minister this simple question and ask him to reply with something other than what he and his leader are trying to make famous, and that is a verbal finger to the opposition. Might I invite him to show some respect for the members of this House and the important matter we are discussing by addressing the issue.

The issue I want to ask him about is this. He knew—

**Mr. Speaker:** Supplementary.

**Mr. Grossman:** The minister must have known, or the great Attorney General ought to have warned him, that this eventuality could occur. The minister has now had two weeks since the decision. In cabinet on Wednesday, why did he not take the step of passing a brand-new general legislative grant order for the public school boards and flow the money pursuant to that order?

**Hon. Mr. Conway:** It is interesting and rather amusing to hear the Leader of the Opposition suggest what we might have done. It is both breathtaking and mind-boggling, given what he did not do over his time in this responsibility. To the educational community across the land I say, if and to the extent there is any concern and difficulty in so far as this policy is concerned, it rests entirely on the backs of the opposition which for 13 months walked away from its responsibilities.

**Mr. Grossman:** The minister did not even come close to answering the question. He has no answer.

**Mr. Speaker:** Order.

**Mr. Grossman:** No answer.

**Mr. Pope:** The minister should resign. They are incompetent over there.

**Mr. Speaker:** Order. I would remind the members, again, 20 minutes for the first two questions. There are a lot of other members wishing to ask questions.

**Mr. Grossman:** There are no answers.

## ANNUAL REPORT, PROVINCIAL AUDITOR

**Mr. Rae:** In the absence of the Attorney General (Mr. Scott), I have a question for the Solicitor General concerning the report of the Provincial Auditor that was released this morning. The report contains on page 35 a piece of information that I am sure will prove fascinating to the province.

The minister will remember that capital punishment was abolished, finally, in July 1976 and there have been no executions in Ontario, if my memory serves me correctly, since 1962. The last execution was held in the Don Jail in 1962. We are given the astonishing piece of information in this report that between 1976 and 1984, the ministry continued to pay \$200 per month for the services of somebody called the provincial executioner—I do not know whether this role was written by Gilbert and Sullivan or not, but it sounds like it—with a total cost to the taxpayers amounting to \$20,000.

Could the minister explain for us how it is possible that a provincial executioner was on the public payroll for eight years, until 24 years after the date of the last execution held in Ontario? Would the minister please explain how that could have happened?

2:40 p.m.

**Hon. Mr. Keyes:** I presume it only shows that some people never give up hope of reinstating capital punishment. In seriousness, I cannot name the person who has received that money because the name must remain in confidence, as with all past executioners. It was drawn to our attention today. I cannot speak for the Attorney General, but in the role of Solicitor General we have taken steps to ensure this will be thoroughly checked this week to see if it is not time to cancel the appointment of one said executioner.

**Mr. Rae:** If there is nothing to be done in this job and there has not been for some 23 years, since 1962, and if the Solicitor General is not allowed to tell us who occupied this august and, no doubt, extremely onerous and difficult position, I wonder if he could tell us whether it was a full-time or part-time job.

**Hon. Mr. Keyes:** Perhaps the word "piece-work" would be most appropriate.



**Mr. Philip:** I have hung around this place for more than 10 years to get involved in an issue such as this.

I have a supplementary question about a further waste of taxpayers' money in the execution of justice policy. The auditor points out that this ministry has acquired a 61-year supply of breeches for the Ontario Provincial Police.

I wonder whether the Solicitor General would agree that this is an awful kick in the breeches of the taxpayers of Ontario. I recognize that, as a new minister, he is probably governing by the seat of his pants, but can he give away those breeches to some of the people who might be able to use them?

**Hon. Mr. Keyes:** Again, note has been made of the oversupply of a particular division in the matter of breeches. It is perhaps an overzealous attempt at motorcycle policing.

If I may have the privilege of answering the last question, I have now been informed that in the last very short while, the position of hangman has been discontinued, thanks to the report, probably since this afternoon.

The breeches are still there. Perhaps we could add that to the very worthwhile cause that has been initiated by the Minister of Community and Social Services (Mr. Sweeney) in his winter clothing allowance campaign. Maybe we could have breeches for the boys, courtesy of the OPP. I will certainly have to check with him.

**Mr. Rae:** I would like to ask the Minister of Health about this next one, as I am sure he will be aware of it, having seen the report. The auditor's report also found that residents of nursing homes were often charged for uninsured services without their written authorization. It is common practice to bill nursing home residents for services, such as administering their trust accounts, completing documents and making purchases.

What is the minister doing about the fact that one resident was even charged \$150 for applying to leave the home? What is the minister doing to ensure that people are not being ripped off in establishments that are supported by public funds?

**Hon. Mr. Elston:** Part of the process deals with the Trustee Act. I can assure the member that act will be enforced. We are also taking steps to upgrade our inspection and audit capabilities in those facilities.

With respect to uninsured services, I will be in touch with the Ontario Nursing Home Association to implement steps so that sort of action

cannot happen again. The member for Windsor-Riverside (Mr. D. S. Cooke) raised questions similar to this very type of performance earlier in the year, and I responded to the very specific situations with innovations that proved effective. I thank the honourable member for the questions because it concerns me a great deal when those influences are exerted over residents in nursing homes.

**Mr. Rae:** The minister will know we have raised individual items. All of us in our party at one time or another have had experience of complaints about these kinds of charges. Since the auditor urges the ministry to examine whether such charges across the board in every home are reasonable, can the minister tell us why he has yet to introduce clear changes in the regulations that would prohibit the imposition of such charges on residents, who have very little protection and no alternative because they are in those places 24 hours a day? Can he not simply impose a ban on those charges through regulation?

**Hon. Mr. Elston:** There is an arrangement whereby those sorts of uninsured charges are supposed to be designated by the operators and then the individual people advised. I do not know the specific incident about which the honourable member is speaking, the charge of \$150, but I do have considerable concern. We have been working, as I told the member earlier, with the entire regulations surrounding the Nursing Homes Act because we found there were deficiencies. I will consider arranging a review of that group of regulations which the member would like to see included.

**Mr. Rae:** On page 77, the auditor says, "We found that after the initial correspondence between the branch and the nursing homes there was frequently no evidence that the situation had been corrected." This is where the inspections branch was informed of some concern by a resident and would proceed to write to the individual nursing home. The audit found there was no change in policy and, in some cases involving individuals, no correction.

Does the minister not feel he has ample justification to change the rules and regulations in this report so that we do not continue to have small charges and some quite significant charges day after day? One hundred and fifty bucks for an application to leave strikes me as a grotesque kind of imposition on people.

Will he see that people are not nickel-and-dimed and inflicted with costs every day over and above what is allowed to be charged under the

Nursing Homes Act? Does he not recognize this is a major problem?

**Hon. Mr. Elston:** I do recognize this to be a major problem. We are dealing with that with respect to the regulations that are being drafted and the ones that are being updated. I can assure the member I took seriously the individual situations that were brought to my attention by his colleague the member for Windsor-Riverside, and I will continue to take seriously allegations such as those set out in the auditor's report.

### ROMAN CATHOLIC SECONDARY SCHOOLS

**Miss Stephenson:** I have a question for the Minister of Education. The minister will recall that on September 16 he submitted to the boards of this province his amendments to the general legislative grants, within which he calculated for the boards the amount they would receive as an impact addendum if there were students transferring from their boards into coterminous Roman Catholic schools.

What disturbs me about the action that has been suggested—supported by the Attorney General (Mr. Scott)—to the Minister of Education, and that is apparently being pursued by the minister, is that it imperils the education of the other children within that school system. For example—

**Mr. Speaker:** Question.

**Miss Stephenson:** —in Kenora the board is not receiving this week \$240,000 for an \$11,000 calculation, which could easily be subtracted on the basis of the amendment. The Halton Board of Education is not receiving \$2.4 million because it is being held up by \$8,000.

Is it not reasonable that the Minister of Education could have modified that very lucid and extremely sage advice by the Attorney General that all the students should be jeopardized, and subtracted the amount from the amount in the transfer?

**Hon. Mr. Conway:** May I join my friends in the official opposition in welcoming back my good friend the member for York Mills. Let me say quietly and dispassionately that there is no peril or threat that exists outside the minds of the opposition.

**Mr. Gordon:** It is all a big mirage for those school boards.

**Mr. Mackenzie:** Answer the question.

**Mr. Speaker:** Order.

2:50 p.m.

**Hon. Mr. Conway:** I will try to answer the question if the members opposite will allow me the opportunity. We have been in touch with the boards and we will continue to be in touch with them. We have said we require a clarification of the order that will flow from the Potts decision of 10 days ago. I expect to have that clarification shortly.

School boards all across Ontario should know they will receive the ordinary transfer either on time or, at the worst, a day or two later. At this time, I am quite confident the funding will flow on the appointed dates of December 3, 4 and 5. What the opposition has to recall is that we in the ministry have a process whereby a seven-day notice period exists to put the boards on standby that the deposit will take place.

Because of the opinion and the advice tendered by the Ministry of the Attorney General, we have indicated we require a clarification of the order that will flow from the court decision about 10 days ago. We expect to get that clarification shortly. We expect there to be no difficulty. Let me repeat that the funds will flow in the ordinary course of events, I hope and pray, on time, and at the worst, a day or so later. To the extent there is any delay, it will be to accommodate the court.

**Miss Stephenson:** There is a good deal of consternation on the part of the boards of this province that is compounded by the fact that the message was delivered at the 11th hour. No particular advance notice was given to them so that they could have some indication of the minister's intentions. They have no idea how long it is going to take, because there has been no transmission of information about an expected period of time. In most boards' circumstances, it is not outside the power of the minister to subtract the very small amount that is in question from the transfer amount. It is a piddling amount in most circumstances.

**Mr. Speaker:** Question, please.

**Miss Stephenson:** He can subtract that from the amount to be transferred and transfer the rest of it as he ordinarily would. That is sensible, surely.

**Hon. Mr. Conway:** I do not want the member for York Mills to become unduly agitated. The boards of education are not agitated. The only agitation I have sensed over the past number of months among boards of education is, "Why did the Tories do this to us in this fashion?"



## ANNUAL REPORT, PROVINCIAL AUDITOR

**Mr. Wildman:** I have a question for the Solicitor General about the Provincial Auditor's report in relation to the weak controls on the storage of weapons by the Ontario Provincial Police. It refers to OPP weapons and confiscated handguns, sawed-off shotguns, machine guns and a large quantity of ammunition that apparently is controlled by a custodian who is in charge of the inventory records. I am sure the minister is aware of this.

Can he explain what he is doing to ensure that windows are not broken, that windows do not stay open continually, that doors are not left open, that doors are properly guarded and that an alarm system is installed so that these very dangerous weapons and amounts of ammunition cannot slip into the wrong hands?

**Hon. Mr. Keyes:** One of the interesting things about an auditor's report, which as a new government it is always great to know, is that there are lots of opportunities to correct previous errors or omissions that have been committed. I have visited the area in question. Following the report, which deputies were privileged to be given some time earlier, responses were made in September and corrections were made, particularly to the security of that important area. When I visited in September, they had installed a number of security measures that guarantee the security of the weapons and ammunition kept there.

**Mr. Wildman:** Can the minister explain what security measures have been taken, specifically regarding alarms and guarding of the area? Is he aware that weapons were apparently outside the proper weapons area without the knowledge of the custodian and without having been signed out? Perhaps this government, instead of paying a hangman and spending money on 61 years' worth of breeches, will actually use the money to assure us that this area is properly secured and is guarded to ensure that the weapons are not taken out without the knowledge of the person who is supposed to be in control.

**Hon. Mr. Keyes:** I will table for the honourable gentleman in the very near future the actual installation mechanisms that were put in place after this was brought to our attention. I will also show the procedures now being followed to ensure that weapons are not being taken out without proper authorization.

## NIAGARA RIVER WATER QUALITY

**Mr. Haggerty:** I have a question for the Minister of the Environment. It has been reported that a cleanup plan has been announced for the Hyde Park chemical dump near the Niagara River on the American side, a cleanup that does not include excavation of the site. Would the minister indicate to the House whether he is satisfied with this agreement and, if not, what action he intends to take?

**Hon. Mr. Bradley:** There are two dumps about which there has been some discussion recently. The first was the S area. I think the one the member is referring to is the Hyde Park agreement, which was recently announced, involving the United States Environmental Protection Agency, the Environmental Conservation Service, New York state, and the company, Occidental Chemical Corp.

It is my view that the agreement that was reached is not satisfactory as far as we in Ontario are concerned—at least, speaking for this government. As members of the House would be aware from discussions of this matter over some time, the real debate has revolved around whether containment is sufficient or whether excavation should be looked at as one of the potential answers to this question.

Because of the kinds of chemicals that are in existence in this dump—and I have seen them leaching down through the gorge and making their way into the Niagara River—it is my view that excavation should not be ruled out as one of the middle- or long-term solutions to this and that immediate containment is only a small step forward but a necessary step.

Second, I have a concern about the fact that the information upon which this agreement was based would be two or three years out of date. Some of the substances moving out of the Hyde Park dump are moving at a significant rate and might well be farther outside the boundary of the dump than was the case when the agreement was first reached.

In answer to the member's question, I am not satisfied with that particular agreement.

**Mr. Haggerty:** What action will the minister then take to inform the American officials we are not satisfied with it?

**Hon. Mr. Bradley:** I suppose two things can be done. First, I will contact the federal Minister of the Environment so that we can co-ordinate a response to our American neighbours, indicating our dissatisfaction with it.

Second, I will personally direct correspondence in a very public way to the ECS and the EPA, expressing the viewpoint of the Ontario government that we do not consider this agreement to be satisfactory to meet the needs of the people of this province.

**Mrs. Grier:** I am relieved to hear that the minister does not consider the agreement that has been arrived at as satisfactory. Can I take it from his response that when it comes to the solution of the hazardous waste problems identified on Ontario's side of the border, he will regard excavation as the solution as well?

**Hon. Mr. Bradley:** I think it is important, as we have demonstrated on the Canadian side of the border in the Niagara River situation, that we be prepared to meet all our commitments for two reasons. First, it is important for the environmental safety of the people we represent and of those in adjoining jurisdictions. Second, it is important that we meet those obligations because it provides us with a trump card or a very strong hand to play in our negotiations with our American neighbours.

I would not exclude any potential fix, if I may put it in those terms, of any of the environmental problems we have on this side of the border. Our American friends and the citizens in our own province can rest assured of that.

3 p.m.

#### ROMAN CATHOLIC SECONDARY SCHOOLS

**Mr. Pope:** I have a question for the Minister of Education on Mr. Justice Potts's decision that was issued verbally on November 14. This decision was issued two weeks ago; that has been two weeks in which the minister has had time to resolve this matter administratively.

Since it was the minister's officials who contacted boards of education across the province and told them that because of Mr. Justice Potts's decision there would be no money for them in December—not that there would be a delay, but that there would be no money—why did the government lawyers not settle the terms of the order immediately with all the other lawyers in the presence of Mr. Justice Potts?

If there was some uncertainty that led ministry officials to call the boards across the province, why did they not settle the terms of that order on November 14 or immediately thereafter?

**Hon. Mr. Conway:** The member for Cochrane South has his dates wrong. I have the reasons from Mr. Justice Potts in my hand, and

they bear the date of November 18; that is not two weeks but 10 days ago.

I will repeat for the benefit of the member for Cochrane South what has transpired. The Ministry of the Attorney General has been examining the reasons contained in the Potts judgement. The staff has indicated to me it feels a clarification is required. At this moment, and for the past while, they have been involved in determining how that order can be clarified.

I am confident the school boards of this province can expect the ordinary flow of funds on time next week. I do not know what the school boards were told by the opposition; however, I do know the regional offices were in contact and indicated the seven-day notice period, which is what we are talking about here.

**Mr. Harris:** That is not what they were told.

**Hon. Mr. Conway:** I would be very interested. Perhaps the Leader of the Opposition has some affidavits he would like to share with me.

I want to say again to the school boards that once the order is clarified—and I expect that very shortly—funds will flow. I am very hopeful they will flow on the dates of December 3, 4 and 5, and if not on those dates, perhaps a day or so later.

I am informed by my departmental officials, with whom I will recheck these data, that there should be no borrowing costs devolving on to the local boards.

**Mr. Pope:** I find that answer shocking. We are talking about the minister's officials who phoned across this province, not on November 14 when the matter was publicly commented upon by Mr. Justice Potts, not on November 15 when the item appeared in the Toronto newspapers, not on November 18 when the judgement was issued, but yesterday at four o'clock.

The boards were told there would be no money. It was not the members of the opposition who made the calls, but the minister's officials. His officials created the uncertainty.

**Mr. Speaker:** Question?

**Mr. Pope:** I want to know why those calls were made yesterday at four o'clock in the afternoon when the minister had had more than 10 days to deal with this matter.

**Hon. Mr. Conway:** Let me say very clearly to my friend from Timmins, the boards were notified yesterday out of courtesy. We in the government, unlike the official opposition, did not want the boards to panic. We do not believe there is any panic in the boards. The boards would have expected a seven-day notice of the



direct deposit. The regional offices simply contacted the boards to indicate that there could be a delay. We do not expect any substantial delay in the clarification of the court order.

Let me repeat that I am very hopeful the funds involved will flow in the ordinary course of events to the bank accounts of the boards in question. We have taken steps with the financial institutions and with Treasury to reduce the turnaround period substantially. It used to take the Tories four days, and it will take us one day in this instance. We have made that accommodation. Let me say—

**Mr. Speaker:** Quickly, I hope.

**Hon. Mr. Conway:** I know my friends in the opposition will want to be careful and prudent and not cast about these kinds of absolutely uncalled-for and alarmist suggestions.

**Mr. Rae:** If it is the government's serious view that out of Mr. Justice Potts's decision dated November 18 there arises a problem with respect to the transfer of funds to public schools, and if that is the minister's judgement, can he explain why in the name of heaven he was not back in the courts on November 19 asking for clarification?

**Hon. Mr. Conway:** I say to my learned colleague the leader of the New Democratic Party—

**Ms. Gigantes:** The best lawyer in the House.

**Hon. Mr. Conway:** I defer to the Justice critic for the New Democratic Party as to who is the best lawyer in the House. Not being one, obviously I will have to take the advice of the—

**Mr. Grossman:** You are not the best Minister of Education either.

**Hon. Mr. Conway:** I say to the Leader of the Opposition that as Minister of Education, I had the intestinal fortitude to get on with a major and difficult task. That is more than I can say for—

**Mr. Speaker:** Order.

Interjections.

**Mr. Speaker:** I could not hear anything from any side.

#### HOMEMAKER PROGRAM

**Ms. Gigantes:** My question is for the Minister of Health. The minister will know that in mid-election, in April, the Conservatives offered a minimum, short, hesitant step towards establishing an integrated homemaker service in this province. They promised six pilot projects. Since then, we have heard nothing. There has been no announcement of projects or money. Will the

minister tell us what will be happening, where it will be happening and with what resources it will be happening?

**Hon. Mr. Elston:** I thank the honourable member for the question. The ministry is currently making arrangements and taking steps with its sister ministry, the Ministry of Community and Social Services, to set up frail-elderly homemaking programs. I cannot say exactly when the announcements will be made, but we are working on ways of implementing those programs.

**Ms. Gigantes:** I remind the minister that the integrated homemaker program is not just designed for the frail elderly. We would not expect it would be. There are people who suffer from Alzheimer's disease and multiple sclerosis, there are handicapped people and there are younger people who desperately need that service.

Can he tell us at this point when he will be approving the 1985 budget for such programs as the Ottawa-Carleton home care program, which is still operating on the 1984 budget plus a minimum interim boost to its financing?

**Hon. Mr. Elston:** Those budgets are being reviewed, and there should be announcements shortly with respect to those programs for the 1985 year.

**3:10 p.m.**

#### ENERGY FROM WASTE PLANT

**Ms. E. J. Smith:** This question is for the Minister of the Environment. A long and expensive consolidated hearing board was held in London to examine the advisability of building the energy from waste plant on the campus of the new Victoria Hospital, which is in a residential neighbourhood. The hearing was held through the efforts and partly at the expense of those people who live nearby or downwind from this site and by those more generally concerned with the environment.

As a result of that hearing, new and more stringent standards were laid down for the proposed plant. I am led to believe some efforts have been made to have these standards lowered. Will the minister assure me and the citizens of London South that the standards prescribed by the consolidated hearing board will be strictly adhered to?

**Hon. Mr. Bradley:** For a project of this kind to be successful and in order that other projects similar to it can enjoy the degree of success their proponents wish them to enjoy, it is absolutely

essential that all the stipulations laid down by the consolidated hearing board are adhered to. I assure the honourable member there is no intention on the part of the Ministry of the Environment to lower those standards in any way.

**Ms. E. J. Smith:** I thank the minister; I am somewhat relieved by that.

Since the cost of this energy from waste plant will be roughly \$35 million, I want to be doubly assured that the contract for this incineration of garbage will contain all the necessary posting of efficacy bonds. As has happened in other communities, it is a disaster if such an expensive unit is built and the bonding is not in place.

**Hon. Mr. Bradley:** I can assure the member we want to ensure the success of this project as well by ensuring that all the necessary provisions she has described in the House will be adhered to.

**Mr. Gillies:** I would like to ask the minister if he has been asked this question before by the member for London South.

**Hon. Mr. Bradley:** As the honourable member knows, having been a member of this House for as long as he has and having sat in the House on a daily basis, this question has not been directed to me in this House—

**Mr. Grossman:** Not in this House. Has she ever asked the minister before?

**Hon. Mr. Bradley:** —nor has this question been directed to me in any other forum with which any of us is familiar.

**Mr. Grossman:** No doubt the constituents of London South will be wondering whether the Minister of the Environment is accessible to Liberal back-benchers, who apparently have to come here to ask a question.

#### ROMAN CATHOLIC SECONDARY SCHOOLS

**Mr. Grossman:** I have another question for the Minister of Education. He clings to the belief that there is no problem out there in terms of misunderstanding by the boards of education. I want to bring to his attention the following information.

The director of finance for the Lanark County Board of Education, when contacted by our caucus, said “they have no idea what the reason for this decision is and no indication ahead of time that this was going to happen.” He went on to say that it was “ludicrous and unrealistic” and that the problem of new separate school funding should not have any bearing on funding the current students in the system.

The superintendent of financial services for the Waterloo County Board of Education said he would like a better explanation from the ministry of why this had happened and why they were not notified until the eleventh hour. To quote him, “You cannot run an organization this way.” He went on to say—

**Mr. Speaker:** Minister.

**Mr. Grossman:** Mr. Speaker, I have not used as much time as the member for London South (Ms. E. J. Smith) used in posing her question.

**Mr. Speaker:** Minister.

Interjections.

**Hon. Mr. Conway:** Mr. Speaker, I believe I have the—

Interjections.

**Mr. Speaker:** Order. Minister.

**Mr. Grossman:** Mr. Speaker, I wish to stand on a point of personal privilege and on a point of order.

**Mr. Speaker:** What is the point of order?

**Mr. Grossman:** No question has been put to this minister at this time for him to answer. Either you protect the rights of the opposition to pose questions at as much length as some of the nonanswers we have been getting or you shirk your responsibilities to protect our rights to question the government of the day. I insist on our rights.

**Mr. Speaker:** I listened very attentively to the member's point of view. I cannot see where it is a point of order. Having looked at the clock and having kept time with all the questions and replies, I feel I have been most fair to members on all sides of the House. When a person places a question with much information—

**Mr. Grossman:** I have not placed a question.

**Mr. Speaker:** There are many times when I feel a member is asking, “Do you agree?” so I have considered that the question to the minister.

**Mr. Grossman:** I did not ask that question. The question has not been put.

**Mr. Speaker:** Order. Would the honourable member take his seat.

**Mr. Grossman:** If you want the question posed, invite me to pose it.

**Mr. Speaker:** Order. There was ample time and information for a question to be posed.

**Hon. Mr. Conway:** I know the opposition would want the director of finance for the great county of Lanark to have the answer, and the answer is simply this: The Ministry of Education has a practice whereby there is a seven-day notice



period, before which the direct deposit takes place. Out of courtesy we notified the boards that there could be a delay. We hoped there would not be one.

We will be contacting the boards very shortly to tell them, among other things, that this afternoon all parties to the injunction hearing have agreed on the kind of court order that would satisfy them with regard to their interpretation of the Potts reasons. Therefore, I am very confident the Lanark County Board of Education and all others will receive the money on time next week.

**Mr. Davis:** On a point of order, Mr. Speaker—I assume this is a point of order; if it is not, I will defer to your judgement: The directors of education whom I have contacted today have informed me that they were told the funds would not flow through—not that they might not flow through but that they would not flow through—as required on December 3. The minister needs to deal with that question.

**Mr. Speaker:** That is not a point of order. It is a point of information from the member.

#### USE OF TIME IN QUESTION PERIOD

**Mr. R. F. Johnston:** Mr. Speaker, as a member of the House who wanted to get a question in today, I would ask you please to protect us from the novices in this House, whether they are the new Leader of the Opposition (Mr. Grossman) or the government whip, with regard to abusing the amount of time they use in their questions.

**Mr. Harris:** On a point of privilege, Mr. Speaker: We think you should protect all the members' rights in question period. I agree with the point of privilege that was made. You have an obligation, if you feel a question is going on too long or if too much information is being given, to call that questioner to put the question. If you are not going to call for the question to be put, we do not think you have the right to call on the minister to make a statement when no question is being put. I ask you to consider that.

3:20 p.m.

**Mr. McClellan:** On the point of privilege, Mr. Speaker: I want to refer to standing order 20(a), "If a member on being called to order for an offence against the standing order persists in the offence, the Speaker may direct him to discontinue his speech," etc., and to other references in standing order 19.

I have to point out to my colleagues in the official opposition that the Leader of the Opposition has defied the Speaker virtually every time

he got to his feet in question period. He did not resume his seat when Mr. Speaker called order and he took a long time out of the question period. The question period does not belong to the Leader of the Opposition. He does not have ownership of it. It belongs to the members of this assembly.

We ask you, sir, to continue to try to protect the rights of the members of this assembly against the unwarranted usurpation by the member for St. Andrew-St. Patrick.

Interjections.

**Mr. Speaker:** Order. Those were very interesting points of view. I will read them very carefully and do my best to make sure every member has the right to speak and to be heard.

#### MOTION

##### COMMITTEE SITTING

Hon. Mr. Conway moved that the select committee on economic affairs be authorized to meet following routine proceedings on Thursday, December 5, 1985.

Motion agreed to.

#### INTRODUCTION OF BILLS

##### PETERBOROUGH RACING ASSOCIATION LIMITED ACT

Mr. Turner moved, seconded by Mr. Gillies, first reading of Bill Pr39, An Act respecting Peterborough Racing Association Limited.

Motion agreed to.

##### CITY OF KITCHENER ACT

Mr. D. R. Cooke moved, seconded by Mr. Callahan, first reading of Bill Pr44, An Act respecting the city of Kitchener.

Motion agreed to.

##### HEALTH DISCIPLINES AMENDMENT ACT

Mr. D. S. Cooke moved, seconded by Ms. Gigantes, first reading of Bill 67, An Act to Establish Midwifery as a Self-Governing Health Profession.

Motion agreed to.

**Mr. D. S. Cooke:** I have introduced this bill before. This is a repeat. The reason it is being reintroduced is that midwifery is still not recognized as an integral part of the health care system in Ontario and it is our hope that it will be. I look forward to this bill being debated in the future in the Legislature.

## ANSWER TO QUESTION IN ORDERS AND NOTICES

**Hon. Mr. Conway:** I wish to table the answer to question 96 in Orders and Notices [see Hansard for Friday, November 29].

### ORDERS OF THE DAY

#### PRIVATE MEMBERS' PUBLIC BUSINESS

##### TAX DISCOUNTERS

Mr. Morin moved, seconded by Mr. Offer, resolution 22:

That in the opinion of this House, recognizing that tax refund discounting exploits the poor, the government of Ontario should, through consultation with the government of Canada, move to eliminate the current usurious practices of tax discounters whereby they are able to exact exorbitant charges in exchange for advancing immediate cash to persons entitled to tax refunds.

**Mr. Morin:** I am pleased to have this opportunity to present to the Legislative Assembly a matter that I believe to be of the utmost importance and one that has troubled me greatly since I learned of its existence. The matter is the practice of tax rebate discounting whereby a person expecting a tax refund can go to a discounter and sell his rights to his tax refund for immediate cash.

In exchange for this service, the discounter keeps 15 per cent of the expected cash refund which, calculated as yearly interest, amounts to more than 90 per cent. This is permitted by the present federal legislation.

The practice of discounting troubles me for two major reasons. The first is that the people who tend to use the service are poor. Two thirds have taxable incomes of less than \$8,000 and one third of less than \$2,000. They are people who can least afford to lose such a large part of their refund cheques to discounters.

La pratique du recours à des escompteurs d'impôts me bouleverse pour deux raisons majeures. La première est que les gens qui ont tendance à recourir à ces services sont pauvres. Les deux tiers ont un revenu imposable inférieur à \$8,000, et le tiers un revenu imposable inférieur à \$2,000. Ce sont les gens qui peuvent le moins se permettre de perdre une si grande partie de leurs chèques de remboursement aux mains des escompteurs.

3:30 p.m.

The second reason tax discounting troubles me is that millions of dollars of our taxpayers'

money, intended for social programs, is actually going into the pockets of discounters. Last year \$41 million was charged by discounters across Canada; \$18 million in Ontario alone. Especially disturbing is that nearly 85 per cent of the discounters in Canada are branches of American companies, companies that are not allowed to discount government cheques in the United States, where the practice of discounting has been prohibited since 1976.

La deuxième raison pour laquelle cette pratique me bouleverse est que des millions des argents de nos contribuables, prévus pour des programmes sociaux, vont en réalité dans les poches des escompteurs. L'an dernier, cette somme était de \$41 millions à travers le Canada, dont \$18 millions ici même en Ontario. Ce qui est davantage troublant c'est le fait que près de 85 pour cent des escompteurs au Canada sont des succursales de compagnies américaines qui n'ont pas le droit d'escompter les chèques du gouvernement aux États-Unis, où la pratique du recours à des escompteurs est prohibée depuis 1976.

The issue of tax discounting is of particular importance to the members of this House. Ontario citizens constitute the largest proportion of users of discounters in this country. Last year approximately 170,000 low-income Ontarians discounted their cheques at a cost of \$18 million. This represents 44 per cent of the national total. The next largest number of users of discounters is to be found in British Columbia, where 46,000 citizens, or 12 per cent of the national total, discounted their cheques.

I would like to provide the members of this House with a brief history of the practice of discounting in Canada and of the unsuccessful attempts that have been made to regulate it both by provincial governments and by the federal government.

The practice started in western Canada about 1974 and gradually made its way eastward. By 1977, discounting offices had been set up in nearly every province and were charging up to half of the tax refund in exchange for immediate cash. Interest rates of 1,200 per cent were not uncommon.

The industry was completely unregulated. While federal legislators studied the problem, many provinces acted on their own and passed legislation limiting the money that could be kept by discounters to five per cent of the estimated refund cheque. Persons using discounting services had to be given cash equivalent to 95 per cent of their estimated refunds.



The Leader of the Opposition (Mr. Grossman), then Minister of Consumer and Commercial Relations, when he introduced the Income Tax Discounters Act in 1977, said it was "time to protect those who, because of urgent financial need, become prey to this form of exploitation. Therefore, because this government sees the necessity for an immediate and effective solution to this recurring problem, I will introduce later today the Income Tax Discounters Act, 1977. This act will limit the amount of the discount to five per cent. In other words, the discounter must pay to the taxpayer at least 95 per cent of the anticipated refund."

This bill was passed with the unanimous consent of all three parties and within two weeks it became law. The following year the federal government passed its own act, the Tax Rebate Discounting Act, allowing discounters to keep not five per cent but 15 per cent of the taxpayer's refund. The discounters had convinced the government that the rates set in the provincial legislation would put them out of business.

After seven years of existence, it is clear that the federal Tax Rebate Discounting Act is ineffective in dealing with the problem of tax rebate discounting. Since its proclamation in 1978, the discounting industry has flourished. From only a handful of shops in 1979, there now exist more than 1,000. From an industry-wide revenue of \$570,000 in 1979, last year discounters pocketed \$41 million that was intended to go to low-income Canadians. The number of people using discounting services has also multiplied drastically from 7,000 initially to 385,000 in 1984. Every year since the Tax Rebate Discounting Act came into existence, the number of people using discounters and the amount of money kept by discounters have more than doubled.

Some would say these facts and figures prove tax discounting is a popular and much-needed service. Some would say it provides poor people with a valuable source of credit and with tax preparation services to boot. Some would say that to abolish the practice would hurt those most in need of urgent financial assistance. With respect, I would most strongly disagree with those submissions.

Tax rebate discounting does not help the poor. It compounds their financial difficulties because they end up with even less income than they would otherwise have. Discounters tell stories of families who would face eviction or whose children would go cold or hungry if their tax returns could not be cashed quickly. I hesitate to

believe these stories because I know that our social service system exists to assist individuals in just such times of financial crisis.

**Mr. R. F. Johnston:** It is true.

**Mr. Morin:** If these stories are true, and if our social service system is not equal to the task of assisting individuals in times of financial crisis, surely tax discounting is not the answer. Convenience, ignorance and lack of alternative sources of easy credit are the main reasons for the popularity of discounting services.

There is convenience because discounters set up shop on busy street corners and in shopping malls. They distribute flyers throughout low-income neighbourhoods to advertise their services. Discounting offices are convenient, accessible and readily identifiable. Less well known are the literally hundreds of Department of National Revenue offices, community centres and self-help groups that provide free assistance to immigrants and low-income people who have difficulty completing their tax returns.

I cite ignorance as a factor in the popularity of discounting services because I believe it is fair to say that most users are unaware of the exorbitant rates of interest they are being charged. While discounters are obligated by law to disclose the interest rate on customer contracts, the formula used to calculate the interest rate is seriously outdated and in any event the figure is probably overlooked by the vast majority of users of discounting services.

With respect to alternative sources of credit, I admit that most of the people who resort to tax discounters probably cannot obtain credit elsewhere. I am confident, however, that the elimination of tax rebate discounting would open new lending possibilities for poor people. A need would be created for established financial institutions to provide loans to people at market rates of interest, using the tax rebates as collateral. Until now, this need has been met by discounters.

To ensure repayment of the loans, financial institutions could be permitted to have the refunds sent directly to them. This type of loan program has been successfully established by a credit union in Ottawa. At least one small loan company in Toronto has expressed an interest to my office in setting up such a loan program. There is clearly a demand for this type of service, and this demand could be met without charging the exorbitant rates of interest of the discounters.

**3:40 p.m.**

There are those who might say that abolishing tax discounting is infringing on an individual's freedom of contract. There are many instances in

which a government in passing legislation infringes on individual rights. We do so because certain practices are seen to be socially unacceptable. Loan sharking or usury is but one example. The Criminal Code prohibits people from charging more than 60 per cent interest on a loan, no matter how willingly the contract may have been entered into. Unfortunately, tax discounters have been specifically excluded from this provision.

In the matter of tax discounting, we are dealing with not only an individual's money but the money of our taxpayers—\$41 million in 1984. This money was intended to be for social programs to assist low-income people. I believe it is our obligation as legislators to ensure that this money gets to those people for whom it is intended.

There are two more concerns I would like to address before concluding my statement. Some people have expressed the concern that a ban on tax discounting would merely drive it underground where it would be completely unregulated. With respect, I do not believe users of discounting services are desperate enough to turn to the risky and illegal blackmailing market. Barring the establishment of lending programs, which I described earlier, I believe that most taxpayers would simply submit their tax returns to the Department of National Revenue and wait for their cheques. This proved to be the case in the United States.

The second concern is on the impact of unemployment that a ban on tax discounting might have. The discounting industry is seasonal; it lasts only from January to April. Each discounting office hires three or fewer people. I have calculated that the elimination of tax discounting in Ontario would result in the loss of 558 full-time, year-round jobs. This loss would be unfortunate. However, I believe it would be more than compensated for by the \$18 million kept by Ontario discounters last year, which would be infused instead into our low-income community.

Most people here today are no doubt aware that last week the federal government announced proposals to deal with the problem of tax rebate discounting. It has decided not to ban the practice, but rather it has undertaken expensive and complicated half-measures designed to discourage people from using discounters. It is estimated these measures will cost \$5 million to \$10 million. I find these proposals to be unacceptable and bordering on the outrageous.

First, from now on, the child tax credit will be paid in instalments throughout the year instead of

at tax time. The majority of those people who use discounting services do not even receive the child tax credit. Of the users of tax discounting, 56 per cent are single people, be they the elderly, students or the seasonally employed.

Second, the Conservative initiatives apparently reduce the discount rates discounters are legally allowed to charge. However, when calculated on a yearly basis, these discount rates still amount to more than 60 per cent in interest. The Conservatives are saying no person may charge usurious rates of interest unless he or she is a tax discounter. There is no justifiable excuse for this preferential treatment.

Third, by decreasing the allowable discount that can be kept by the discounters, the Conservatives are encouraging more people to use those services. There is a real danger that even more of our taxpayers' money than last year will go into the pockets of discounters.

I firmly believe the only effective way to deal with the problem of tax rebate discounting is to abolish the practice altogether. This is not an exotic or naïve suggestion. It was done in the United States, that bastion of free enterprise, almost a decade ago. It would have to be complemented by improved access to sources of credit for poor people, but I believe that would come about naturally. If that proved not to be the case, then governments might have to band together to establish such loan programs.

I also believe Revenue Canada should continue its efforts to speed up the processing of returns, especially during tax-filing time. It should publicize its own free services and those offered by community centres as aggressively as the tax discounters do.

La proscription de la cession du droit aux remboursements d'impôts augmenterait sensiblement les sommes d'argent atteignant les pauvres, sans accroître la dette nationale. Cela nous garantirait que les argents de nos contribuables iraient toujours à ceux pour qui ils sont destinés. Cela rendrait la politique de notre pays à parité avec celle des États-Unis sur cette question importante. En dernier lieu, cela remplirait notre mandat comme législateurs de protéger les gens les moins capables de se protéger eux-mêmes.

Prohibiting tax discounting would substantially increase the amount of money going to poor people without increasing the deficit. It would ensure that our taxpayers' money went to those people for whom it was intended. It would bring this country up to date with the United States on this important issue. Finally, it would fulfil our



mandate as legislators to protect those people least able to protect themselves.

Therefore, I call on all my fellow MPPs to encourage the federal government to repudiate this exploitation of the poor by supporting the resolution that is now before this House.

**Mr. Gillies:** I rise to speak this afternoon in support of the honourable member's motion. I and many members of the House have been very disturbed for a number of years about the practice of tax discounting. I have considered it for some years to be one of the grossest exploitations of the poor people in our province.

I want to return to that premise. A couple of things should be said about the honourable member's presentation, about some of the points he makes and perhaps about the approaches that should be taken to this issue.

First, I think most members of the House would agree that it would be preferable to have federal legislation covering this area from one coast of our country to the other. In its absence, it is important that the government of Ontario move to outlaw this practice in Ontario. None the less, it bothers me that some of our cousins and friends in the Maritimes and elsewhere will continue to be subjected to this practice in the absence of federal legislation.

I do not want to overly politicize this debate, but I did hear my friend opposite repeatedly say the Conservative government in Ottawa had not done this or had not done that. I would like to go over the history of this issue and preface that history with my delight that some 10 years after this was first raised in the Legislature, we finally have a Liberal speaking about the issue.

In the late 1970s, when this first became of concern to members of the Legislature, it was raised, if I am not mistaken, by Michael Davison, the former New Democratic member for Hamilton Centre, in 1976. I did a bit of digging in Hansard, Mr. Speaker, as I know you are prone to do—being a great Hansard fan, like myself, my friend the member for Scarborough West (Mr. R. F. Johnston) and others in the House.

I found a number of references to this practice and to concerns raised by the former member for Hamilton Centre. I found that first act regulating this question in Ontario was introduced on November 8, 1977, by the former Minister of Consumer and Commercial Relations and now the Leader of the Opposition. I will return to that because I want to quote what my leader had to say on that day.

**3:50 p.m.**

However, to my consternation, I looked and looked through Hansard and I could not find any expressions of concern by members of the Liberal Party in those days. My friend the member for Carleton East (Mr. Morin) will say: "I am not talking about Liberals and Tories here. I am talking about Liberals and Tories in Ottawa." That is fine. Just for a moment I would like to talk about Liberals and Tories in Ottawa. I am referring now to a brief by an organization that has fought long and hard to see this practice regulated, the National Anti-Poverty Organization.

I checked with a friend of mine in Brantford who is a member of NAPO and he sent me this brief. It has a bit of a history in Ottawa. This issue was first brought to the attention of the federal government in 1982. NAPO raised its concern about the number of poor families who were losing a portion of their child tax credit as a result of discounting and, beyond that, raised the issue of discounting itself as a lending and borrowing practice.

In January 1983, NAPO expressed its concern to Madame Bégin, the then Minister of National Health and Welfare.

**Mr. Runciman:** What party did she belong to?

**Mr. Gillies:** My friend the member for Leeds asked me what party she belonged to. I do believe she was a Liberal.

NAPO expressed its concern about the number of child tax credit claimants discounting their rebates and its belief that something should be done about this. They did not hear anything all through 1983. In December 1983, NAPO's executive discussed the issue with the Honourable Judy Erola, the Minister of Consumer and Corporate Affairs of the day. The member for Leeds will correct me if I am wrong, but I believe she was also a Liberal.

In the weeks and months following that approach to the Honourable Judy Erola, NAPO wrote a detailed letter in March 1984 to officials in the Department of Consumer and Corporate Affairs, outlining its specific reasons for opposing discounting and including recommendations on what should be done.

I know my friend the member for Carleton East will be as shocked as I was to learn that from March until October 1984, NAPO heard absolutely nothing from the government of Canada about this outrageous practice. In its twilight years, the former Liberal government with which

we were blessed in this country sat on its hands and did absolutely nothing.

Apparently, again according to my friend in NAPO, some attention—whether or not it is adequate in the eyes of my friend the member for Carleton East—started to be paid to this issue only after the election of a new government in Ottawa in September 1984. The new Minister of Consumer and Corporate Affairs, Mr. Côté, started the study which has led to some of the recommendations that are being made.

Despite all that, and I say this in the true spirit of nonpartisan co-operation to my friend, I am supporting his motion. I think what he is saying is right and that this practice should be outlawed. However, when he kept saying Conservative ministers did not do anything, I had to bring to the attention of the House the fact that the former federal Liberal government thumbed its nose at this practice.

I want to return to the legislation introduced into this House by the now Leader of the Opposition, the member for St. Andrew-St. Patrick, on November 8, 1977. I want to quote from that speech, because the member described very well the issue that faces us. He was talking about the storefront offices most of us have seen spring up in our ridings at various times.

Poor people, people who need quick cash, people who get a commitment from the government for a rebate of a certain amount, are anxious to have that or a portion of it because of the conditions under which they have to try to feed and clothe their families. They turn to these operators to get quick cash. My leader pointed out some eight years ago in this House:

"These operators charge heavily—often up to 50 per cent of the face value of the refund. For example, if a taxpayer receives 60 cents on the dollar from the discounter this would be in effect an interest rate of 800 per cent per annum, assuming the refund from National Revenue is issued in a month." That is 800 per cent interest if the claimant was waiting one month for the discount from Ottawa.

My leader went on to say that the government was cognizant that some of the western provinces were moving on it, because they had been subjected to these discounting practices and we had not. The necessity for legislation was obvious as the discounters were moving into Ontario from other parts of Canada.

I quote the member for St. Andrew-St. Patrick again: "Therefore, because this government sees the necessity for an immediate and effective solution to this recurring problem, I will intro-

duce later today the Income Tax Discounters Act, 1977. This act will limit the amount of the discount to five per cent. In other words, the discounter must pay to the taxpayer at least 95 per cent of the anticipated refund. If the refund is greater than the amount calculated on the return, the excess must go to the taxpayer."

That was a very positive step in the right direction, but we have seen variations on the practice continue. As my friend the member for Carleton East has pointed out, the practice continues and people continue to be ripped off by the discounters. I believe the steps introduced by the government of Canada are a step in the right direction, but they do not go far enough.

In a country such as ours, which has been built on the premise that people can get ahead, but that we reach out to those who need help more than we do ourselves, it is shameful that we have lagged behind the United States in regard to this legislation. It has been outlawed in the United States and the time has long gone by when it should have been outlawed in Canada.

I hope members from all three parties will see the opportunity to bring to the attention of this government a wrong that should be redressed. I think it is important that we pass the resolution of the member for Carleton East, but I also caution my friends opposite that it is then important that they go ahead and do something about it.

The fate of private members' bills and resolutions bothers a number of us in all three parties. This afternoon, Thursday after Thursday, can be a bit of a farce or it can be the genesis of any number of good ideas that can be brought into legislation.

**Mr. Breagh:** I want to support the resolution the member for Carleton East has put forward this afternoon. It brings to our attention something that has been brought to our attention many times before. If we have to say it again, let us say it again.

Stealing from the poor has always been a popular sport. Throughout the centuries, people have made it their occupation because it is so easy and the poor are so vulnerable. Perhaps one cannot rip off quite as much money from them as one could from General Motors or from the Speaker of the Legislature, who has large amounts of cash on hand, but it is easy because the poor need a little quick cash and are willing to make themselves the victims.

This process of stealing from the poor has become a dignified business. I find it offensive that it is no longer called "stealing from the poor." It is now called something different, "tax



discounting," which sounds like an okay operation.

It is not stealing on the street with a pistol or a knife and it is not banging them on the head. It is going into a nice clean office with a snappy little sign with the name of a dignified business operation attached to it. In the process, it has become sanitized, cleansed and legitimate.

The sadness is that it all stems from the government of Canada trying to help some people. Through various tax measures over the years, it has provided rebate systems, the means by which the poor can recover some of their money from the taxation process. It is to our everlasting shame that a problem has lasted this long, has escaped the attention of government and has almost defied government attempts to do anything about it.

**4 p.m.**

There is a reason for that. Governments themselves like to steal from the poor. They think it is a good sport too, and they cannot quite chase after these stealers from the poor, because they are doing the same thing. This government steals from the poor every time a poor child buys a candy bar. Every time a poor person lives life to the fullest and buys a litre of gasoline, this government taxes him.

Feeling guilty a year or so afterwards—and it takes that long for governments to feel guilty—it will try to provide some kind of rebate system. Poor people do not have the opportunity to take that rebate to their personal accountant, lawyer or financial institution to get the money. They need the money now; so instead of waiting for governments to react, they have to go to places such as tax discounters.

I find a great measure of sadness in the inability of governments to respond, in the inability and the unwillingness sometimes of governments to do anything about it. We have had a little bit of debate here this afternoon about who responded first to this great need. The answer is, nobody has so far. People may have made speeches, that is true, but people on this side of the Legislature, to my right, had an opportunity to respond. They could have said: "Ban tax discounters. Stop stealing from the poor." The best we got was that some of them made good speeches, which is fine.

The federal government, in its current attempt to do something about it—it is difficult to judge, and we should not be unkind, but I do have to say this—has sought to regulate theft from the poor. I do not think that does very much for the poor. It has begun to set levels of theft. It is saying that

one can steal 15 per cent from a poor person, but above that one should not do it. If one steals only a little bit, it is somehow all right. I find that an offensive notion.

I do not know why we need this industry in our country. I do not think we do. I do not know why we need to legitimize it by passing federal regulations that govern the amount of theft that can occur. That is wrong. The best solution in this would be one I have heard many times, but I have not yet seen a government willing to do it; that is, ban the practice.

I know there is an innate inability on the part of governments at all levels to do anything. Surely, however, when it is the intention of the federal government to provide assistance to lower-income groups by means of tax credits, for example, it should not sit around for half a century figuring out how to deliver that system to people who are in need.

Part of the difficulty in this is that those folks who write regulations and take legislative initiatives are not poor. That is the problem. Those people who write the federal regulations or the provincial regulations do not have much of an understanding of what it means.

To poor people, a couple of hundred bucks is a lot of money. To a senior civil servant who probably earns in excess of \$15,000 a year up to \$70,000 or more, a couple of hundred bucks does not seem like much. However, when one does not have any cash in one's pocket, when one needs some money this winter for food, shelter and clothing for his family, one allows oneself to get ripped off. One needs the money and has no alternative.

One would have thought—at least I would have in my little naive way—there were financial institutions around here that would recognize two things.

First, this is a guaranteed thing; they are guaranteed their money by the federal government of Canada, and it does not get much better than that.

Second, it would have been a great public relations gesture on the part of banks, for example, to say: "All this tax discounting is unfair to the poor and lower-income people in this country. We would be happy to help you process your returns, to determine how much money you will get back from the federal government and to advance that to you without interest."

What a great, magnificent and simple gesture that would have been on the part of our banks, as financial institutions that could have afforded

to do that because there was no loss possible. However, they have not taken up that opportunity.

One wonders about our society when one looks at all the people who could have done something for them over the years but have done nothing. The closest we are getting to any resolution of the problem is some federal proposals which will allow people to steal only 15 per cent of the credit that is there. That is wrong.

I am happy to support this resolution today because it brings before the Legislature a problem that bothers me a lot. It appears we are once more going to talk through an afternoon's debate where we say, "This is wrong." When we get around to this time next year, I hope we will not have this problem to talk about. I would be the happiest man in the world if tax discounters went out of business tomorrow and there were no need for federal regulations because the process was simply not allowed.

The resolution is supportable. I am happy to join with the member for Carleton East and, I sense, a lot of other members in supporting the resolution.

**Mr. Wildman:** On a point of order, Mr. Speaker: I do not want to take away from the time of the members in the private members' hour, but it is rather irregular that a member whose resolution is being debated should be in the chair. I would suggest perhaps that should be rectified.

**The Acting Speaker (Mr. Morin):** Your point is very well made. As you know, I have not sat in the chair for very long. I will follow your advice, and my colleague the member for Essex South (Mr. Mancini) will replace me.

**The Acting Speaker (Mr. Mancini):** Order. We can resume the debate.

**Mr. Offer:** I too would like to express my concern about tax discounting practices involving the many low-income earners in this province. Clearly, the practice of tax refund discounting and its onerous impact on the poor and disadvantaged in our society require further and immediate attention by the federal government. The Honourable Michel Côté, Minister of Consumer and Corporate Affairs, indicated his government's intention to take some action in the area of tax discounting reform.

At the outset, let me say that I support the limited changes the federal government is contemplating, especially in the area of child tax credit reform. However, it is my feeling that the federal consumer minister has not gone far enough in his planning to implement other

needed changes affecting so many low-income earners in Canada.

In a letter to Mr. Côté on August 15, Ontario's Minister of Consumer and Commercial Relations (Mr. Kwinter) called for reforms to the federal legislation in a number of areas. He addressed the many concerns that Ontario has in connection with the present legislation and called for several changes; not the least of them was a continuation of reduced turnaround time for the mailing of most federal government refund cheques.

The minister, in his letter responding to Mr. Côté's discussion paper on the subject, pointed out that Ontario in 1977 chose to enact its own legislation in an effort to combat flagrant abuses by the tax discounting industry in our province. It provided for a maximum fee of five per cent plus a reasonable preparation charge to complete the customer's income tax return. Ontario's legislation was repealed by the government of the day when federal legislation was put in place in 1978.

The federal government's reform package proposes a fee of 15 per cent be allowed for the first \$300 of a tax refund with up to five per cent allowed on any amount above that. I would like to see the federal government adopt a five per cent fee across the board. I remind the members that a 15 per cent service charge works out to the equivalent of a 60 per cent annualized interest rate.

It is my feeling that this federal initiative does not go far enough towards easing the burden on the users of these services. We would urge the federal government to reconsider the 15 per cent charge on the first \$300, which would be paid by Canadians who can least afford it. It would be in the best interests of Ontario if tax rebate discounting were eliminated. Ideally, this would be the proper approach.

**4:10 p.m.**

In 1984, 170,000 Ontarians—34 per cent of the national total—used the services of tax discounters. To my mind, this is an unacceptable figure. Users of tax discounting services are, by and large, the disadvantaged in our society. Two out of three who use these services report an average income of less than \$8,000.

On the positive side, however, this government is pleased to see action on the part of the federal government with respect to reforming the disbursement policy of child tax credits to low-income earners. It has been reported that of those Canadians who discounted their tax refunds in 1984, nearly half claimed the child tax credit.



In his letter to Mr. Côté, the minister requested that alternative methods of making child tax credit payments be explored. Indeed, the federal government has stated its intention to make this benefit available to low-income earners by way of partial payments made throughout the year. Ontario is in accord with this move.

I am also heartened to see progress in the area of one of the many problems faced by disadvantaged persons in their dealings with our financial institutions in this country. I approve of the federal government's move to simplify procedures with respect to cheque-cashing privileges and loan and credit availability for the disadvantaged.

These same people are often placed in the position of having no choice other than to deal with tax discounters. I urge that information on the real costs of using tax discounters and the alternatives available to consumers be conveyed to them. Services of financial institutions must be fair and equitable for all Canadians, regardless of income.

The tax discounting industry in this country discounted tax refunds worth \$275 million in 1984. They kept approximately \$42 million as their share for the service. I find these figures entirely unacceptable. While I am encouraged by recent federal initiatives and reforms, it is necessary to continue to monitor the situation as it applies to the more than 170,000 Ontarians who purchase the services of tax discounters in this province.

**Mr. Treleven:** I would like to tackle this resolution from a slightly different point of view. As lawyers are wont to do, I would like to speak about it in the way of "on the one hand" and "on the other hand."

The member for Carleton East used the word "abolish" in his speech, although his resolution used the word "eliminate." I was not quite clear from the wording of the resolution whether he wanted to eliminate the entire practice of tax refund discounting or only to eliminate certain practices. I now see he wishes to eliminate the entire industry.

The honourable member said near the end of his speech that it would be a good idea if the Department of National Revenue were to speed up its tax refund cheques. That is an excellent point that should be dwelt upon a bit. In his resolution the member is not dealing with the problem; he is dealing with the remedy. I think we should be dealing with the problem.

We have pollution control equipment on cars and pollution standards for air and water. If a

certain industry cannot come up to the standards of pollution, or down to the standards, the answer is not to say we will change the standards; the answer is to make the industry meet the existing standards. We should not change the standards arbitrarily because somebody has trouble meeting them.

In the same way, the problem is the Department of National Revenue and the speed with which it gets back the tax cheques, which gives rise to the necessity for tax discounters. After all these years, we are still supposed to have our personal income tax returns in by the end of April.

The Ontario government has found a way around the great crush of people at the end of February getting their car licences. I do not think it is amazing to expect that the Department of National Revenue might stagger the filing of personal income tax returns that are not in connection with a business that may have a calendar year-end or a corporate fiscal year-end. That would be one possibility for removing the problem and not fiddling around with remedies: go right to the root of the problem.

I have a tax discounter in my riding. He came around to see me a few months ago, long before this resolution came up. I was most impressed with what he had to say to me, so this is on the one hand and on the other hand. I understand from him that there are a lot of fly-by-nighters; there were a lot of abuses in the late 1960s and in the 1970s.

He gave me some figures. First, he is a registered industrial accountant; so he has some experience as an accountant. He gave me some figures on what they do. For example, in his office last year the average return processed was \$500; that is the cheque that comes back from the Department of National Revenue. At 15 per cent, the average charge was \$67.50.

For that he had to go through a pile of things: interview the client, fill out detailed client information forms to see whether he was eligible, fill out an authorization form for the client's signature, prepare the average tax return, have the return checked by a second individual, prepare a schedule 1 form for the Department of National Revenue, prepare power of attorney for the client's signature, prepare a promissory note, review the completed tax return with the client, issue the cheque and then another form and so on.

The time to do all that, on average, was 124 minutes for such clients. He charged an average of \$67.50 for 124 minutes. The cost of running his office, staff salaries and overhead, with no

profits in there, was \$25 an hour. Take \$52.08 out of the average charge, and that leaves him \$15.42, which netted the profit out at 22.8 per cent. If you take the losses out of there, it works out to close to an 18 per cent return on investment.

This is on the other hand, remember. This is an actual person in Oxford who is in this business, a person who is an RIA and is well qualified. Let me also put in the risk factor. There is a risk factor in discounting that knocks it down from 21 per cent or 22 per cent to 18 per cent, and that is the double filing, the false information slips and so on.

I will end by saying that the answer is in licensing and regulating, not in eliminating—license and regulate to get rid of the fly-by-nighters, but recognize that they do perform a service. As my friend the member for Carleton East stated, the amazing growth this business has shown during the past several years indicates a need. It is obviously fulfilling a need or the people would not be there. If it were not being used, it would shrivel and die. It is there because these people need the money immediately.

Licensing and regulating to keep it clean, to keep the fly-by-nighters out, is what is necessary. Therefore, given the wording of the resolution and taking both sides into consideration, I cannot support the resolution.

4:20 p.m.

**Mr. R. F. Johnston:** With echoes of “restrain yourself” floating through my ears because of advice from the member for Bellwoods (Mr. McClellan), I will not show a well-balanced view of this, and I am not going to take both sides.

Je suis fier de participer à ce débat et de parler un peu en français, comme le député de Carleton Est. C’est une autre occasion de dire que nous avons besoin de traduction simultanée dans cette Chambre.

I have been dealing with this issue for a long time. The tax discounters, these small businessmen, or large businessmen as the member for Oxford (Mr. Treleaven) would have us think of them, are in my view nothing more than parasites on the poor and they are part of a whole group of parasites. I wish the member’s resolution had dealt with a lot more of them.

I think of the Money Mart people in this province who treat people with the same kind of victimization techniques by cashing cheques early and putting on a charge to make money. The people at Beneficial or H and R Block make a lot of money on the backs of the very poorest

people in our society, as the member for Carleton East has shown.

We raised this in our report *The Other Ontario: A Report on Poverty in Ontario*, and tried to document the information. The member for Brantford (Mr. Gillies), who is no longer in the House, perhaps overlooked the fact that this was raised with his government a year and a half ago, and action should have been taken. It has been raised with the federal government time and again by my friend Patrick Johnston at the National Anti-Poverty Organization, as has been indicated by others.

I support this resolution because it calls for elimination. I was disappointed to hear the member for Mississauga North (Mr. Offer) express his desire to see the rates change. The problem is not the rates, as was indicated by the member for Carleton East. The problem is the existence of this kind of service and this means of dealing with poverty. That is what we are talking about.

These people are in operation because, as part of the means of supporting the poor, on an annual basis the poor get a lump sum of money through the tax system. It is the only time in the year when they can purchase a big-ticket item, when they can buy a new set of clothing for their children or some furniture for their home.

Their desperation for that money is the reason they go to a tax discounter and no member of this Legislature does. It is as simple as that. If they received the kind of income we receive, they would not have to go early to get back the money that is due them. They would not have to lose at least the equivalent or perhaps more than the equivalent of the increases they have had in tax credits by spending it on the profits of these financial institutions.

The member missed a fundamental point when he introduced this resolution, if one is trying to target and fix blame. The member for Oshawa (Mr. Breaugh) was pointing in this direction. The problem is poverty, how one deals with it and the way governments have tried to come through the back door by allowing businesses to provide these nefarious services instead of dealing with the issue.

Far better than having a resolution that directs the federal government to eliminate this program and replace it with what NAPO has been calling for—which the member for Carleton East described as loans that could be made available at a much cheaper rate—and limiting it to that, would have been to have called on our Minister of Community and Social Services (Mr. Sweeney)



to recognize that a Christmas coat allowance is not the solution to poverty in this province, and that putting the blame on companies that come into play to provide assistance to these poor people is not the solution to poverty in this province. The solution is to make sure they have sufficient funds all year long and do not need to go to those places.

It is already a failure of this new government with its announcement of its priorities this fall, as it was of the government of the members who now are to my right, which for many years failed to recognize the needs of the poorest people in our province, and as it has been of federal governments in their responses to the poor. I wish the member's motion had talked a bit about that. He alluded to it in his speech but he did not directly affix the blame where it should lie, with the government.

Who are the people who go to these discounting places? We said they are the poor, but they are primarily women, and women with children. The horrible thing about the system the new Tory government in Ottawa has come up with is that more people are going to go to them. It will encourage the use of them.

With the 15 per cent now only on the first \$300, the average family-benefits mother who will be getting a tax break of about \$1,500 on average will now be in a better position to get slightly more back than she would have last year. The incentive not to wait is even greater this year than it was last year if this bill passes in Ottawa before Christmas, as I gather is the intention at that level.

The other suggestion briefly alluded to, which is not addressed in this resolution, is the whole question of how the tax rebates come back. The federal government's suggestion that they should now be broken up quarterly or more regularly—we do not know its intentions because we have not yet seen the wording of that—is one of the most dangerous kinds of things it could do.

It is true that it will help seasonal workers get their money a little earlier, but it will not assist the family benefits mother who needs to have that money come in one lump sum or she will not be able to buy the big-ticket item. That is one of the things I hope changes in this.

I do not know where we go with this kind of resolution. It is well-meaning, it has some recommendations for us to make to the government of Canada, but we now have committees charged with a great deal of work and will have more work given the amount of legislation we are

expecting out of this House in the next number of weeks.

The standing committee on social development recently received a motion passed by this House in private members' hour from the member for Kent-Elgin (Mr. McGuigan). We will be trying to order that into our timetable at some time, but we have discovered we will probably not be able to do this for a number of months.

The problem we have at hand, when one looks at what we as members of this Legislature can do now, is that the problem begins in about four weeks' time. That is when people go to the doors of those companies and ask for their help. They get their money as soon as they possibly can, so they do not have to wait until April or May to get what is due to them from the government.

With this coming at this time, I cannot see any way that we as a Legislature can effectively take further action on this resolution, other than to pass it on to Ottawa. That is regrettable. As a result, we will end up with, if anything, a change from Ottawa from a straight 15 per cent to 15 per cent on five per cent, as has been described. We will not, however, have any fundamental change in government policy with respect to the elimination of this discounting procedure and the furnishing of loans through the banks and the credit unions of the provinces across the country.

I do not recall if the member had any time left to him to speak to this, but what I find frustrating, given our new status of minority government and our ability as a House to effect some change and to get committees to take on action of this sort, is that I do not know how we can do it in any kind of time frame that will affect these people.

That is so important, because it is all right for us to wait, it is all right for us to take a number of months to get this kind of a message across to Ottawa, but what we always forget, with the kinds of salaries and benefits we have in this chamber, is that those who use this system cannot wait and will not wait for us. They will, therefore, continue to be punished by these usurious practices our federal government has perpetrated in the past and which this government, in its present condition and in its past embodiment with the Tories, has allowed to continue for many years. I find that very frustrating.

**Mr. Callahan:** For the first time in my life I wrote out a speech, and it has all been said. I am not going to give that speech; I am going to refer to the one in my other coat pocket.

I would like to start off by saying I applaud the genuine concern of the member for Carleton East. He has confirmed in his motion the first impressions I had of that gentleman when I first met him in the House. He has raised a very sensitive issue. He has raised one that, back in the days when Ontario addressed the matter, received unanimous support of the House. It is quite obvious that everyone in this House had a caring concern for the incident.

**4:30 p.m.**

When we think about this, without making light of it, the immediate thought that comes to mind is of taking candy from a baby. That is really what is happening, or was happening until the federal government elected to make the payments on a quarterly basis. By performing this service, these companies were taking candy from the baby.

That is not a criticism of the companies. I am a free enterpriser and I believe legitimate businesses should be able to flourish in this province and this country in a healthy fashion. It is unfortunate, however, that the mechanisms that are allowed to exist by government in terms of trying to get funds to the people who are below the poverty line are always ill-conceived and result directly in opportunities being made available that may rebound to the detriment of those least able to defend themselves.

I do not want to be partisan about this. I believe it is an issue that should be looked at in a similar fashion to the way I urged the House to look at the issue of the recent school strike. I felt that was a matter that should be dealt with in a nonpartisan way and in a very sensitive way, much the way a family would deal with a personal problem.

I find it rather unfortunate that the present federal government, with its very large majority, has not taken a much more serious or a much more imaginative approach to looking at the banking system. There is no question that if the banking system were prepared to accept the tax rebate of a person who was obviously going to get that rebate, that person could secure a loan or secure the rebate money in advance without any discounting taking place. The bank would be assured it would receive the money since, as far as I know, the government of Canada is good for the return of income tax collected from Canadians.

I had a much longer speech in my left pocket. I threw away the one in my right pocket, but I understand time is fleeting. I urge members to pass on to Ottawa the sensitive way we wish to deal with the matter.

In closing, I would like to welcome back to the Legislature the member for York Mills (Miss Stephenson). I would also like to say the member for Essex South looked very nice in the Speaker's chair.

**Mr. Morin:** I am extremely proud to have the support of this House. The member for Scarborough West asked, "Where does it go from here?" I will tell him my intentions.

The jurisdiction over tax discounters has been questioned already in British Columbia, where it was determined they had jurisdiction. The trial court division at the federal level also determined they had jurisdiction. There is still another level and that is what I want to pursue. I will check with the Attorney General (Mr. Scott) how far we can go.

Let us say we have jurisdiction in Ontario over tax discounters. If we pass this resolution, by accepting it, then everything will be all right. I want to pursue that. I ask for help not only from the Conservative Party but also from the New Democratic Party. Together, I know we can achieve that purpose.

#### COMMERCIAL VENTURES IN RURAL AREAS

Mr. J. M. Johnson moved, seconded by Mr. Sheppard, resolution 20:

That in the opinion of this House, recognizing the very serious limitations placed on our smaller rural municipalities in their ability to attract industrial growth, the government of Ontario should develop and implement an industrial strategy that would provide these municipalities with the much-needed expertise and financial resources necessary to enhance their position in this competitive field.

**Mr. Speaker:** The honourable member has up to 20 minutes for his presentation and may reserve any portion to the end.

**Mr. J. M. Johnson:** For Ontario's economy to strengthen and for a better distribution of newly created wealth throughout, it only makes sense that development be encouraged in the smaller rural communities of this province.

I am very pleased to say that this resolution is very similar to the resolution my honourable friend the member for Simcoe East (Mr. McLean) tabled in the last session. I am even more pleased that the same member will speak in support of the resolution.

Rural municipalities have many positive things to offer potential industries to entice them to settle in those communities, and I will refer to these in a few minutes. These municipalities,



however, are also faced with very serious limitations and they require our provincial government's assistance to overcome them. First and foremost, our smaller communities need advice and assistance in preparing proper plans for growth.

Some municipalities should, for various reasons, not grow. Others should have only limited growth and others that have unlimited growth potential should have controlled and orderly staged growth compatible with the community's future needs and wishes.

After determining the future growth plans with full public input, the government should help the municipalities establish industrial parks and provide municipal services to these parks—roads, sewers and water. Financial assistance should be provided by the government in the form of interest-free loans repaid as industrial land is sold. The size of industrial parks could be controlled by many factors, but mainly by realistic goals set by both levels of government, provincial and municipal, to meet the needs of the local population.

Many smaller towns would be better off with several small industries employing 100 people each rather than one large company employing several hundred. This would avoid many of the problems faced by some of our northern communities which have one major industry providing most of the jobs within that community.

If the government encourages sensible and responsible industrial development at the start, it may then avoid many of the economic and social problems which occur as a result of that single industry having a downturn in the marketplace.

Having assisted the smaller communities in the planning process and the development of serviced industrial land, the next step for the Ontario government would be to assist these municipalities to advertise and promote their communities in the industrial sector.

Smaller towns do not have the financial resources to advertise and promote their communities, certainly not in competition with major cities. The government could assist in this endeavour on a collective basis rather than an individual one. It could provide prospective industries with lists of municipalities in different areas of the province and encourage industry to meet with the local people, thus giving them the opportunity to sell their own community.

While government cannot and should not dictate where industry must locate, it should encourage industry to consider the advantages of locating in various parts of our great province.

Rural communities offer industry many things. They offer a stable, loyal work force. They provide comparatively lower land costs. In addition, their picturesque locations will be a definite plus in attracting executives and professionals.

I would like to elaborate on these points. Rural communities offer a stable, loyal work force and this is very important to industry. In rural Ontario, many young men and women start to work with a company and never change jobs. My father-in-law spent more than 40 years with the same firm, and this example is not unique.

**4:40 p.m.**

Good companies will find that their employees will become extremely loyal, trustworthy, responsible workers and will remain with them for many years. This solves the problem many industries face today in constantly having to train new workers. If we think about it, this very important fact of a stable, loyal work force is one of the secrets of the Japanese industrial success in world markets. Most workers in Japan spend their entire career with one company.

We can offer the same benefits in rural Ontario. Rural communities provide lower land costs for both industrial and residential lots. Industrial land costs in rural Ontario are only a fraction of the cost of a comparable lot in a major city. As for residential costs, lots in some cities cost nearly as much as both the home and lot in many of the smaller communities. The cost of living is much lower in rural Ontario; so workers do not require exorbitant wages. They have the added bonus of living in our countryside and they are happy to accept a little less in monetary terms.

Imagine living within walking distance of a golf course, a curling club or trout stream; five minutes for teeing-off time on the golf course; curling four or five a times a week in the evening instead of at four, five or six in the morning, as one has to in some clubs in the city; fees less than one third of city club fees; being able to take one's kids fishing within a few miles of home and actually catching trout or bass. It is like living in heaven.

As an example, in my home town of Mount Forest, many workers and executives who move into our town with a new company refuse to leave when they are later transferred out. They want to stay. This is now their home and they try to find another job so they can stay in their new home town. They now equate their job, home and community as one and become dedicated to all three. They become extremely important to the

social and economic wellbeing of their new home town.

The welfare and happiness of its labour force should and must be a prime concern of any modern industry that wishes to be competitive in the world market. This resolution, however, is not designed to force growth in communities that do not want it. The goal is the creation of a provincial mechanism that will give added strength to rural communities trying to attract the kind of industry they feel appropriate for their needs.

Municipalities must always have the right to choose the kind of development they want, if they want any industrial development, and the choice should be theirs and theirs alone. Many municipalities do not want industrial growth, and quite rightly so. They should be left in peace. Others should have only certain types of industries that are compatible with their lifestyle and environment.

We must always respect the very urgent and fundamental rights of our future generations to protect our top-quality farm land. Government should and must direct industry to unproductive agricultural lands.

If our government fails to accept the responsibility to have some input into directing the location of new industries and our major centres continue to grow, we will have more serious social problems in the future. Continued growth in the large cities will only add to the traffic congestion and increased demand on diminishing resources. As an aside, it took me 20 minutes to catch a streetcar this morning, and when I got into it, it was like being packed into a sardine can.

Traffic congestion in Metro Toronto is reaching the saturation point. Housing is at a premium, and some people are forced to live in substandard conditions, despite a very stringent and questionable rent control system. The city beaches are becoming contaminated because of inadequate sewage facilities. It may be time to cap the growth in Metro and encourage people to live and work elsewhere.

I concede the domed stadium to Metro, as well as Ontario Place, the CN Tower, the Art Gallery of Ontario, the Ontario Science Centre, the Royal Ontario Museum, major hospitals and even Queen's Park. These are major institutions that require major city surroundings. Many industries have been located in our major cities for years and should stay in place in order to provide employment as in the past.

I am not advocating a disruption of the present system; I am simply saying we should look to the future and make appropriate long-range industrial plans for the benefit of all Ontarians. Spreading growth around will ensure that all communities can retain their quality of life and make better plans for the future. New industry in rural communities will allow local councils to expand their tax base and provide quality service on a par with larger centres. As well, new industry will diversify the local economic base, thus cushioning the cycles that affect all industry, and help to lessen unemployment.

This is very apparent in northern Ontario in one-industry towns, but it is becoming very critical in many parts of rural Ontario because of the very serious economic plight of our farm community. We need industry to provide our farmers with part-time or full-time job opportunities, thus allowing them to continue to live and work on the farm while obtaining off-farm income close to home.

I am not advocating this plan as a substitute for agricultural assistance to our farmers, but as an added alternative to help them in this difficult time and also to provide employment for the large farm families who cannot all work full-time on the farm.

There is an added dimension to this problem. Many of our small rural communities are totally dependent on the financial viability of our agricultural sector. This creates a domino effect. Farmers are forced to leave their land and move to the cities to find work. Small retail and professional businesses in the rural towns are forced to close down; many people move out; schools close because of declining enrolment, and all aspects of the social and moral fibre of the community and surrounding area suffer.

If, instead, new industry locates in a small town, many positive benefits are derived. New industry encourages young people to stay in the community, keeping families together and ensuring that the local population is not overrepresented by any one age group.

I cannot overemphasize the importance of keeping families together. If young people could find work near where their parents and grandparents live, it would solve many of the costly social problems faced by today's society. Grandparents are happy to help with baby-sitting duties. It is a blessing for both parties; it alleviates the loneliness of the elderly and provides loving care for the children. This saves on costly day care services, which are not usually available in rural areas at this time.



On the opposite side of the same coin is the fact that young and middle-aged families living close to their parents can provide many of the support services needed by these elderly people, in many instances helping them to stay in their homes in a much healthier atmosphere than in expensive nursing homes. Keeping families together is reason enough for our government to accept this resolution, but I have a few more reasons to present.

Many people would like to live and work in the same community. I have mentioned some of the positive benefits of living within walking distance of one's job, but what cost do we attach to forcing our citizens to have to commute to the work place? This is very important.

Many of my constituents have to travel 50 miles, 60 miles or more every working day. At what cost? Naturally, there is the economic cost of their gas, car expenses, etc., but the more important cost is the social cost. These people spend two and three hours every working day going to and from work. This is time taken out of their lives. It is time taken away from their families, especially their children. This is a tremendous social cost. If this wasted time could be spent in the family atmosphere, would we not have fewer marriage breakups, fewer children getting into trouble and less need of professional counselling and social assistance?

**4:50 p.m.**

There is a saying that a family that plays together stays together. Surely our government has an obligation to try to provide job opportunities where people wish to live for the social and the economic reasons I have mentioned.

A strategy to help rural communities attract new industrial development will have both an economic and social impact on Ontario. It will strengthen the overall framework of our province by ensuring that no area grows at too fast a rate or at the expense of other communities. Spreading growth throughout Ontario will ensure that opportunities for our people develop right on their front doorstep, and the spinoff effect new growth will bring will be a greater incentive for the creation of small businesses than current provincial programs.

I would like to reserve the few minutes I have left so that I may answer any questions from the members.

**Mr. Speaker:** The honourable member has a good four minutes remaining.

**Mr. Ramsay:** I am pleased to see such a resolution before the House because this is near and dear to my heart and is something I

continually harp about in my riding. I have taken some positive steps in that direction by encouraging our Timiskaming Municipal Association to develop an economic development commission, which it is now seriously considering, in order to have the tools for development in our area. It is sadly needed because we do not have the resources some of the more prosperous areas of the province have.

We hope we can carry on with that project and we will approach the Minister of Northern Affairs and Mines (Mr. Fontaine). Excuse me; it is Minister of Northern Development and Mines now. I had better get it correct. I like having the name with "development" in it. That is what we are talking about today.

I speak in support of the motion. It is important and is something we should all work towards. I would like to use some specific examples having to do with my riding because I feel the motion is as applicable to northern development as to rural development.

In my riding, we have a population of 50,000 people, but they are mostly dispersed over a small group of towns, except for one town, Kirkland Lake, that is large enough and has a big enough tax base to support an economic development commission. The Kirkland Lake Economic Development Commission has an annual budget of \$100,000, but it does not have the resources to mount an all-out lobbying effort to attract industries and to make the tours and trips that are necessary to attract industries.

To give an example of where we lost out and of some of the things that work against us, last month the town lost a major new manufacturing plant that was to relocate in Kirkland Lake from Quebec. We found we had a problem when the company realized Quebec has a penalty for companies that want to leave the province by closing a plant and re-establishing in another province.

We lost it, but none the less Kirkland Lake has an economic development commission, something no other town in our riding has. At the same time, we can argue that a potential exists for economic development in all the ridings, especially in the field of adding value to our resource products.

It would be nice to bring in some large manufacturing plant. Perhaps some day that will be possible. However, we have to build in a practical way with what we have. Adding value to the resource products we produce would be a good start in that direction.

The business Kirkland Lake lost would have manufactured wooden windows and doors for the entire Ontario market. It was a natural for our area where forestry is a major employer. We were sad to lose it, but we hope to continue to work at attracting such industries to our area.

Giving our small towns more clout through better funding for economic development will help them win the battle for industry and will reduce the dependence on the resource sector that is our chronic problem in the north. There are other ways the provincial government can help to foster economic diversification in small northern municipalities, particularly in the transportation field.

We own the main tool of transportation in Timiskaming, the Ontario Northland Railway. It was created as the first development road in the north and is controlled by a provincially appointed commission.

One of the biggest costs of doing business in the north is transporting our finished products to our southern Ontario markets. A canoe manufacturer in our riding reports that a major percentage of the final price of his product is the result of the shipping cost of that finished product, the canoes, to southern Ontario, where the major market is. If he could reduce that cost by half, he would have a more competitive product and could look at the potential for expanded operations.

I concur with the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson), who is proposing this resolution that the government, especially when we own some of the tools now, should work better towards some of these areas that could be developed but that have the penalty of distance from markets, which many of the rural areas have in this province.

We could reduce that penalty by subsidies. I wish we did not have to, but I think the only answer is to subsidize the cost of transporting products to the market so that we are put on the same playing field—there is a nice expression being used lately, “level playing field”—as other areas, the Golden Horseshoe, for instance. There would be an incentive for business to go to the rural areas, and particularly to the north, about which I am speaking, and locate there. They would not have to suffer the penalty of geography, which results in higher transportation costs.

This is something the government can be working on to give a tool to the rural areas to help that development. There is a space for an expanded government role in regional economic development, but that role must be tempered by

the need for local initiative. Economic development cannot be created by government fiat. There has to be the desire and the energy at the local level, but the government can put tools in the hands of the local economic development commissions by making more funds and expertise available.

Ontario small towns have the tools, but they need the monetary incentives and the subsidized freight rates I speak of to build up their own economic futures. The local initiative is already under way in Timiskaming. As I mentioned, the Timiskaming Municipal Association, the umbrella group for all our towns and villages, is now considering the development of a regional economic development council.

I certainly support and encourage that. I hope it goes through, but it is clear we are going to need government assistance for this project. The resolution I am speaking in favour of will be a step towards putting the tools in the hands of our municipalities. The government must recognize this initiative and foster its growth. There are massive amounts of money spent on economic development in this province, but too often the control of that money is at the provincial level, not the local level.

The provincial government can foster the necessary growth in Timiskaming by supporting the local development initiatives that are coming out of my area, giving us the clout to make our own decisions. Unless the small towns in the north are given development tools, they will remain in the same position they are in now, totally dependent on the resource industries of the north.

I have some ideas on some other tools we could use by amending legislation to give more flexibility to municipalities to raise money. Possibly we should look at the idea of allowing our towns to issue industrial and mortgage revenue bonds to raise funds to help the construction or expansion of proposed new industries or commercial apartment buildings in our areas and to reduce some of that red tape so that a developer can get some land, the rezoning can be done a little more quickly and construction permits can be issued faster. We should get rid of the frustration about red tape that bothers small businesses terribly.

We also need a balanced approach, a mixed economy in our areas, and that could be best done by local planning. We could allow for separate industrial-park areas that would have lower mill rates applied to them, something like a small economic zone. This may be something we need



to look at in some of our rural areas in order to be able to offer financial aid for industries to come there. Small towns in the future are going to have to compete with the bigger centres in our province, and the government must assist them in this process. They are going to need a combination of solid planning, hard work and ingenuity to sell themselves as desirable sites and locations for industry.

I applaud this motion and I give it my full-hearted support. I hope the government will take notice of what has been said today and will help to bring some funds to rural Ontario so we can have our own tools to develop our own local economies.

5 p.m.

**Mr. McKessock:** I am pleased to rise and support the member for Wellington-Dufferin-Peel on this resolution, which suggests we should assist rural municipalities to obtain more industrial growth. I feel strongly about this resolution and wholeheartedly support measures that will encourage industrial development in rural municipalities.

When employers move, they usually look at four things: vocation, lifestyle, environment and labour. As mentioned by the member for Wellington-Dufferin-Peel, when one locates in the rural areas one finds the site is going to be much cheaper, one will not be establishing on prime farm land—which I will say more about later—and the location is great.

The lifestyle is generally better. People like to live there. Recreation facilities are on the doorstep and modern malls are available. One finds people coming to our area on weekends who say, "If I could only get a job here; I would like to stay here all week, but there is no place to work." That shows the need for more industrial development in the rural areas as well.

We are not talking about building new cities, as the previous government attempted to do in Nanticoke and Pickering. We are talking about giving a little growth to the small towns and villages that are already there. The environment is good in the rural areas; there are open spaces, and good water and sewage facilities are readily available or obtainable.

Some people feel we may spoil the environment by moving industry into rural areas, and there is sometimes a backlash against it. However, we are not talking about building big cities; we are only talking about having enough growth to maintain our rural way of life and support our labour force in the area, to get some jobs so our own children can obtain employment without

moving to the city when they graduate from school.

The labour force is the other area employers look at. They may look at a rural area and say the labour force is not there. However, the labour force will be wherever the jobs are; that is not a problem. I mentioned that people like to live in those areas; so there is no problem about them moving there. All we have to do is make sure there is employment for them.

If we are going to maintain industries in communities outside the metropolitan area, we must help these municipalities attract new industry. We must also help upgrade and expand the existing facilities. At present, industry in rural Ontario cannot compete with urban centres.

I am faced with a situation in my riding where a foundry providing a unique service to the area and to the province might have to close. The owner lacked the means to improve the facilities to meet requirements of the Ministry of the Environment and the Ministry of Labour. A new, modern plant would double employment and be far more beneficial to the area and to the province. The alternative is increased unemployment, which the community cannot afford, and even more young people making the move to the cities where they hope the opportunities will be greater.

I suggest that the House consider the advantages of diversifying industry in different parts of Ontario. At present, even industries related to agriculture are attracted to southern Ontario. Industry continues to huddle in this area, even though more than half of Canada's class 1 farm land is in southern Ontario.

Recently we lost 4,600 acres of prime agricultural land around Brampton because of industrial development in the Toronto region. A whopping 86 per cent of our Ontario land is useless for growing food, and only about five per cent is considered prime farm land. Ontario imports more agricultural products than it exports.

I am glad to see that we as a government are committed to expanding our industrial base. We suggest that especially those industries more suited to agriculture be encouraged to locate in the outlying areas of Ontario. Industry can build on the less desirable farm land and provide much-needed jobs to the rural community.

I also support the Ministry of Industry, Trade and Technology in making government offices visible in rural areas. Young entrepreneurs in rural areas need to know about the programs available to them through the Ontario Development Corp., the Northern Ontario Development

Corp. and the Eastern Ontario Development Corp.

It has been suggested to me that perhaps these offices could operate under the same roof as, say, the Ministry of Agriculture and Food or with another office focusing on industry. For instance, in Owen Sound there is an office for the Ministry of Industry, Trade and Technology and the Ministry of Tourism and Recreation, but it is not allowed to handle Ontario Development Corp. loans. Industry, Trade and Technology and the ODC work together, and they should be together. We are 150 miles away from the ODC office in London, which is supposed to service our area.

In the immigrant-entrepreneur development program, the Ministry of Industry, Trade and Technology is also providing valuable services to rural communities. New businesses are often directed to rural areas, where there is the potential to increase manufacturing or tourism industries. Jobs are created and local economies are stimulated.

Our municipalities can be on the lookout for opportunities for immigrants to Ontario to provide the much-needed venture capital for viable projects in these areas. Immigrants, who generally invest \$150,000 or more, are readily accepted. I suggest that we allow in entrepreneurs or immigrants with less capital to invest than this if they locate in the rural areas.

The honourable member spoke of limitations placed on smaller municipalities in attracting industrial growth. Accessibility is a major problem. Officials in my riding tell me that improving the road system into rural areas from central Ontario would help industry and tourism as well. Again, if we build the roads there, we can have the access that we are sometimes told we do not have.

We also need to look at the direct link between industry and educational facilities. The colleges and universities are concentrated in the cities. Rural areas do not have access to the same kind of expertise as is available in urban areas.

Overconcentration in cities is also a major point in favour of rural development. Industrial growth around the cities adds to traffic and pollution and inflates the price of land. I have already mentioned the loss of valuable farm land.

Decentralizing our industry would give business the option of building on less desirable land. Improved technology and better communications also mean industry can more readily locate in rural areas. Many of those who build on the edge of Toronto do so because they say they like the

small-town atmosphere, which to me is another argument in favour of rural development.

In closing, I am pleased the government also recognizes the sensitivity of Ontario's rural communities and the need to preserve agricultural land. The Minister of Industry, Trade and Technology (Mr. O'Neil) seeks to guide communities, when requested, in land use planning and in the selection of future industrial areas.

This government recognizes the fundamental importance of smaller rural communities to the province. We have a strong commitment to ensuring that these communities are able to participate fully in the economic growth and development of the province. We support the aim of the private member's bill in encouraging industrial development in our small regional communities.

**5:10 p.m.**

**Mr. McLean:** The resolution on which I am about to speak is one in which I take great interest. I believe an industrial strategy for rural Ontario will benefit all Ontario, and I compliment my colleague the member for Wellington-Dufferin-Peel on introducing this resolution. It is very important for rural Ontario to be recognized more fully than it has been in the past.

If this policy is undertaken by the government, it has the potential of eliminating the inequities among the different regions of this province. It would do this by giving our smaller rural municipalities the knowledge and resources to advertise themselves to business and therefore strengthen our economy. There would be a fairer distribution of capital throughout Ontario.

A few weeks ago I spoke about the financial suffering of many farmers in my riding of Simcoe East. Corn and potatoes are not commanding the prices they should in the market. Pork farmers are facing the threat of a tariff on their exports to the United States, and producers of beef are losing more and more revenue as they must compete with cheaper European imports.

It is very hard for a farmer in today's Ontario to make ends meet. Consequently, to help alleviate financial strain, a farmer may desire to start a venture on the side to supplement his income. There are constraints to this, however, and that is where an industrial strategy for rural municipalities could make a difference.

Most rural municipalities do not have the manpower, the money or the expertise necessary to attract new capital; so I urge the government, and specifically the Minister of Industry, Trade and Technology, to take the initiative and



implement this policy so these municipalities can profit from new ventures.

More enterprises in Simcoe East would provide a wider tax base and better employment opportunities, which would allow the municipalities to become self-sustaining. They would no longer have to rely on provincial assistance to help them obtain more industry. They would then be able to compete on equal terms with their urban counterparts and would get their share of the wealth in this province and what it has to offer.

None the less, I would like to stress that if this government undertakes an industrial strategy policy, the new developments will not mean the takeover of good agricultural land. I can say this for three reasons. First, I know there are not many farmers who would give up their land for any kind of industrial development. Second, I have already told the members that in Simcoe East there are areas, such as wasteland and old landfill sites, suitable for environmentally acceptable enterprises. Third, the industry that would be most likely to be developed in Simcoe East is not the kind that would require the construction of large plants and various production facilities.

Subsequently, I see the potential for further development of the tourist industry and various related cottage industries. Our riding needs the injection of more funds for employment and economic growth. Since there is more leisure time today and self-type industries are becoming a larger part of the overall economy, I can see no reason that the people of my riding cannot benefit from these trends and become better off financially.

In the past this government has assisted with the development of many tourist resorts and attractions in Simcoe East, which have enhanced not only the area but also the economy. Nevertheless, I emphasize that I do not believe tourism is the only industry that can be developed in Simcoe East.

For example, members know of the great success the government, concerned citizens and industry had in getting Mitsubishi to establish itself in our area after RCA decided to close its plant a few years ago. By 1988, this company will have created almost 600 permanent and invaluable jobs; so the people in my constituency know what can evolve when initiatives are undertaken to encourage growth in the private sector.

I agree with my colleague the member for Wellington-Dufferin-Peel that an industrial strat-

egy would give the needed strength to Ontario's rural municipalities, especially those trying to attract the kind of industry they feel is the most appropriate for their needs.

I believe farmers, being the hardest hit in my riding, would actively participate in new enterprises if these were somehow attracted to the riding. These people are educated and skilled. I see no reason for them not using their entrepreneurial skills to increase economic growth unless they are not given the opportunity to do so. If this type of program were introduced, it would play an integral part in the essential revitalization of many of the province's rural economies.

In conclusion, as this resolution appears to have the support of many members from all three caucuses, I strongly urge this government to develop a program of industrial strategy for rural municipalities for implementation in the near future. In this manner, this province will have a stronger and more stable economy, which will enable the rural municipalities to become more competitive, diversified and independent.

**Mr. Wildman:** I rise in support of this resolution proposed by the member for Wellington-Dufferin-Peel. I will make a couple of comments, though, about the remarks made by my colleagues from the Conservative Party and my colleague the member for Grey (Mr. McKessock), who painted a rather idyllic picture of rural Ontario.

While I am a member representing a northern riding and live in a rural area—I choose to live there and like to live in rural Ontario—there is another side to rural Ontario which should be recognized. While we do have lovely rivers, lakes and even golf courses, we also have the low wage rates the member for Wellington-Dufferin-Peel talked about. He talked about them in a complimentary fashion. I find that a little hard to accept. Frankly, we do have low wage rates in rural Ontario, but it is not something of which we should be proud.

The honourable member also suggested that in rural Ontario many workers remain with the same company for their entire working lives. That is true. It is going to be less true in the future as technology develops, but that is true. For that to be the case in an industrial firm—and the member pointed to Japan as an example—we also need a loyal management, and not just a loyal work force.

Management needs a business approach that does not treat labour as a commodity, but deals with its employees, its workers, as people, and is loyal to those people. Unfortunately, that has not

been the history or the case in North America. Developing an industrial strategy for rural Ontario is not going to produce that kind of situation unless there is significant change in the whole approach to our economy.

I would like to support the resolution by pointing to a number of the problems we have in rural northern Ontario. One of the reasons we need more economic development in rural northern Ontario is that we have such an outflux of young people who cannot find jobs in their own home communities and, for that matter, cannot even find jobs in the urban communities in northern Ontario. They have to come to southern Ontario to look for work. That is a serious problem that must be addressed.

**5:20 p.m.**

We have another problem in rural areas. I will use the township where I live as an example. We have absolutely no industrial development. We have very little commercial development. Most of the tax base is on residential and farm development. As a result, in some of the municipalities in my area, 75 per cent of the local property taxes support education. In many other parts of the province, residents and municipal politicians are upset because up to 50 per cent of their local property taxes support education.

If we are going to be able to support the educational and social institutions that are necessary in a modern society, we must have industrial development, particularly if we do not have the tax reform that is required but that governments over the years have been unwilling to implement.

In northern Ontario, we have a resource-based economy, which leads to dependency. We are also very vulnerable because the towns that do have industry are basically one-industry towns. The jobs and small businesses in those communities are vulnerable to corporate decisions made in the privacy of the boardroom, usually located in Toronto or New York, decisions that take little account of the wellbeing of the local communities and the future of jobs and society in the rural areas of northern Ontario.

I will use the example of iron ore. Over the past 10 years, more than half the work force in iron ore in northern Ontario has disappeared, mainly because companies have been shifting their production to United States sources.

For instance, the town of Wawa is dependent on the Algoma Steel Corp. Wawa used to produce almost 100 per cent of the iron ore used by Algoma Steel. It is now down to something in the neighbourhood of 60 per cent and is going to

drop to about 40 per cent. Algoma Steel has a share of the Tilden mine in Michigan and is required to use a certain portion of the production of that mine. As a result, that mine is supplying Algoma Steel in Sault Ste. Marie at a greater and greater rate. What does this mean for the future of Wawa, a town that has tourists and industry but is basically dependent on Algoma Steel Corp.?

In northern Ontario, we generally export our raw materials, and that means we export jobs. Seventy-five per cent of the productive forests are in the north, but 60 per cent of the jobs in manufacturing related to timber, lumbering and pulp and paper are located in southern Ontario.

Northern communities create the wealth this province enjoys and yet are deprived of the social, health and cultural amenities taken for granted in most southern Ontario communities, including rural southern Ontario communities. We have an unstable economy that is affected by fluctuations in markets and the depletion of resources. That means we have fewer opportunities for youth and women.

Over the years, governments of whatever stripe in this province and country have accepted the situation. They may not like it but they accept it because they do not believe it can be changed. When an iron ore mine closes or limits its work force, the answer is, "We will replace those jobs with jobs in some other mine such as gold at Hemlo," and the cycle continues. We continue the boom-bust cycle we have had to endure for years.

We have had study after study of the need for diversification of the economy of northern Ontario. The latest one is the study done by the Royal Commission on the Northern Environment. Over the years, the main growth industry in northern Ontario has been consultancy. One consultant after another has been hired by a southern Ontario government to study the problems of the north. Then it puts the studies on the shelf to gather dust. The latest study by Mr. Fahlgren took eight years and cost \$12 million. It has been out for three or four months. We have asked for the government's response to the recommendations.

The Minister of Northern Development and Mines has indicated he is going to come out with more development in the north. In response to that, I will just say that any recommendations that apply, that are useful and that should be implemented north of the 50th parallel, should be applied to the whole of northern Ontario north of the French River.



That report, frankly, was weak on economic diversification. We believe what is required is the political will to diversify the economy of the one-industry towns of northern Ontario and of rural northern Ontario. We must have a tomorrow fund, a fund that is set up on the basis of the Alberta Heritage Savings Trust Fund, which is based on the wealth gained from the extraction of our resources; an ongoing fund that then could be used at the local level to assist in the development of industry.

We have the northern Ontario development fund announced by the minister, but it is not quite what we are asking for and we hope the ministry will move in that direction. We need to do something to face the situation that our forestry industry may be in trouble in the near future and we have to diversify the economy.

We must have an industrial strategy; we must have the political will. For that reason I support the resolution proposed by the member for Wellington-Dufferin-Peel. I support it particularly because the member who is suggesting it has never been a member of the government. If this member had been a member of the Treasury benches when the Conservatives were on that side of the House, I would have said this was a rather hypocritical resolution. However, I would never say that about the member for Wellington-Dufferin-Peel.

**Mr. Reyecraft:** I want to thank my friend from Mount Forest, the member for Wellington-Dufferin-Peel, for the resolution he has placed before us this afternoon. It addresses a matter that concerns us for a number of reasons.

It addresses the whole issue of the disproportionately low amount of industrial and commercial development in the many municipalities of rural Ontario. It also addresses the absence of employment opportunities in those same areas. The resolution he has put before us today is similar and complementary to the resolution I had before this House about a month ago on October 31.

There is a difference between the two in that this resolution suggests the province should provide municipalities with expertise and financial resources to enable them to enhance their position in the competitive field of attracting industrial growth. My resolution really dealt with providing incentives from the province to those industries to encourage them to locate in the small urban areas within rural Ontario.

Both proposals basically have a common objective: to attract and locate more industrial and commercial development in the small urban

communities of rural Ontario. Both resolutions recognize the urgent need to encourage numerous long-term strategies to enhance the financial viability of our rural communities.

The disappearance of Ontario family farms is producing some alarming social spinoffs. I talked about those a month ago and I would like to reflect briefly on some of them now.

Families are forced to move away to try to find a better life somewhere else. They are forced to do so because they are unable to maintain the financial viability of the farms they have had for many years.

#### **5:30 p.m.**

Young people from those farm families and young people who have grown up in families other than farm families are also forced to leave rural Ontario because, as the member for Algoma (Mr. Wildman) has pointed out, there are no employment opportunities for them in those communities. If jobs could be had in those communities, those young people and those farm families would not be lost to the community. We need those people there and we need them there right now. Most of the small urban centres are faced with a rapidly ageing population because the young people are moving elsewhere to the large urban centres in this province.

In addition, the enhancement of employment opportunities would provide a supplementary source of income for many farm families, or for many family farms that are operating on a shared basis by brothers or brothers' families, for example, where one of them or a spouse or other members of the family can find income off the farm that will help the overall family farm to retain its financial ability.

I note that the problem is being recognized now by a growing number of experts in agriculture. In yesterday's *London Free Press*, David Douglas, director of the school of rural planning and development of the University of Guelph, noted that the outlook for the average family farmer is rather gloomy. He is quoted as saying: "You can either throw in the towel and walk away or seek an alternative. The family farm and all it means is under tremendous pressure."

Those words were spoken by Mr. Douglas at the annual convention of the Ontario Federation of Agriculture in Toronto, a convention that also listened to another very eminent speaker, one Kenneth Farrell, who is the director of the United States National Centre for Food and Agricultural Policy. He also addressed this matter of the financial problems confronting family farmers.

He said: "I see a distinct squeeze on the farm in the middle, the typical family farm of, say, 200 acres. They will be reduced significantly."

This financial upheaval in the family farm is tearing apart the social fibre of our rural communities. It is very clear to all of us that the economic life of a community is intertwined very closely with its social and moral life. We are seeing the impact of this migration of young people and of young farm families from rural Ontario to large urban areas on a number of different areas. We are seeing its effect on our schools, on our churches, on our service clubs and on our many community organizations.

The resolution addresses another very important issue; that is, the need for a broader assessment base in all the rural municipalities of this province, particularly the need for commercial and industrial assessment. I do not know of a rural municipality that is not finding it difficult to meet its increasing cost obligations. By virtue of inflation alone, the costs are growing at a very rapid rate.

There are basically only three ways a municipality can increase its revenues. It can seek and obtain increased provincial support, something that many municipalities seek but something the Treasurers of this province have found very difficult to provide over the past number of years. The municipality can also increase its base by increasing the tax rate so that every property owner in the municipality pays more.

There is a much better way, however, and that is by increasing the assessment base. A measure such as this resolution would help municipalities to do that. It would help them to meet their commitments to their local residents and to their school boards without having to increase property taxes or, alternatively, reduce services. Municipalities could even look to expanding services and school boards could look to providing better opportunities for the students they serve.

Some have expressed concern about the impact of a resolution such as this on agriculture in the province because it might lead to scattered development, but that need not occur. There are in the many small urban communities in rural Ontario a great number of sites that could be used for industrial development, sites that are already designated for nonagricultural use. Much of that land is already serviced and could be developed for industrial purposes without any adverse affect on agriculture.

In this competitive area of industrial development, it is very difficult for the small urban

communities in rural Ontario to compete. Their large urban counterparts have large budgets with sophisticated measures to attract economic development. Many of them have economic development officers and some of them very large departments. As it stands now, our small urban municipalities have little chance of attracting a significant degree of industrial growth.

I agree wholeheartedly with the member for Wellington-Dufferin-Peel. If the government of Ontario could provide the municipalities with expertise and financial resources, these deserving rural communities would stand a far better chance as players in this highly competitive field. We would be helping them to help themselves which, to my way of thinking, is what good government is really all about.

**Mr. Speaker:** The member for Northumberland. I believe you have about six and a half minutes.

**Mr. Sheppard:** I think six and a half minutes is all I need. I am happy to be speaking on the resolution as brought forth by my colleague the member for Wellington-Dufferin-Peel. I believe this resolution should be an excellent solution to encourage more economic growth in Ontario's rural municipalities.

Everyone in this House has recognized the importance of small businesses in this province's economy. Those businesses account for about 42 per cent of the total employment in Ontario. Between 1970 and 1984, three out of four new jobs were created by these small businesses. Small- and medium-sized businesses constitute an overwhelming majority of manufacturers in Canada.

Unfortunately, small businesses have a tendency to establish themselves in or around major centres usually because these centres have more to offer to support the growth of new businesses. I am speaking of what we call the Golden Horseshoe. These are very serious limitations placed on the province's small and rural municipalities and their ability to attract industrial growth. As a result, they lose opportunities to create a more diversified economy.

This is a time when rural communities could use additional investment growth, especially when agriculture is struggling and the present government is paying people to get out of farming. Most rural municipalities have traditionally remained small industrial communities, as they have relied on that one sector for their economic wellbeing. Whether that one industry is farming, a mill or a mine, the municipalities have not developed the ability to attract new



businesses and this is proving to be detrimental to our rural areas.

With greater population, many of the more urbanized municipalities have more tax revenues and thus more financial resources for the promotional activities necessary to attract businesses. For example, many of the more urbanized centres have business development directors who are specifically hired to promote the region to prospective businesses looking for an area to set up shop.

**5:40 p.m.**

In Northumberland, we have an organization called the Diamond Triangle Economic Commission. Headed by a manager, Frankie Liberty, the commission represents the towns of Cobourg and Port Hope and the townships of Hope and Hamilton. This organization specializes in the advertising and promotion of industry in our area. The potential is there for development and expansion.

Similar commissions should be established in communities where none exist at present. Many areas in my riding, such as Port Hope, Campbellford, Cobourg, Colborne, Brighton and Hastings, already have good industrial sites. Some of the municipalities are close to Highway 401, the Trent River, Lake Ontario and CN and CP Rail. Because of this, the promotion of transportation would be a key to more growth in my riding.

Location is another sector that could be promoted. Northumberland is only a one-hour drive from Metropolitan Toronto and an hour from central Ontario and the Kingston area. For the shipping of goods, Port Hope is only about 70 miles away.

Another area for promotion is tourism. Northumberland is very scenic and full of attractions with historical background, not to mention the beautiful lakes which are excellent for outdoor buffs. I live on the south shore of Rice Lake, known as the home of the mighty muskie. If anyone wants to fish, let him come to Rice Lake and I will take him out in a beautiful boat.

Recently, the owners of Camp Barcovan expanded their facilities to include a large recreation facility with swimming pool, children's playroom and games room. This facility employs three students in the summer. More of these facilities are required and there are plenty more to be developed.

In Cobourg, the heart of Northumberland riding, we have a new council, which I hope, with a new mayor and some new council members, will develop a harbourfront in that part of Cobourg. Unemployment is above average in

Northumberland, compared to the rest of Ontario, and new industry would help ease this problem. Rural communities offer a stable, loyal work force. New industry would also encourage young people to stay in the community as opposed to moving to urban centres where the possibility of securing employment is stronger.

In a nutshell, there is potential to develop a strong labour force in Northumberland. There is evidence that the people in my riding, as in others, are trying very hard to attract more industry to the area. This is done mostly through the local chamber of commerce and commissions such as the Diamond Triangle Economic Commission; yet the municipalities generally do not have enough resources to promote this thing.

Small rural municipalities need the expertise and financial resources so they will be equally able to compete with their rural counterparts. Many believe this lack of funds is partly to blame for the slower growth and development in these areas. How many small business have been known to collapse or fold because of lack of funds to keep them going? In some cases, it is difficult for businesses in central and eastern Ontario to obtain funds for programs such as the small business development corporation program. It is well known that the majority of the SBDC investment ends up in western Ontario or Metropolitan Toronto.

I would ask the other two parties to support my colleague's resolution because it is a good one. I hope everyone supports it.

**Mr. J. M. Johnson:** I would like to thank the members for their support and their very positive and constructive ideas. I particularly thank the members for Timiskaming (Mr. Ramsay), Grey, Simcoe East, Middlesex (Mr. Reycraft) and Northumberland (Mr. Sheppard). They were all very supportive and brought out other valuable points of view that were very constructive for this resolution.

My good friend the member for Algoma was at least partly supportive and for that I should be thankful. The member for Middlesex brought in a resolution of a similar nature a few weeks ago and I was very pleased to speak in support of it. The two resolutions may have some impact, and I hope they will encourage the government to take action that will be of benefit to our rural way of life.

This is not just a resolution; it is an idea, a goal I have worked towards for many years. Before I was elected to this assembly in 1975, I served for many years as mayor, councillor and chairman of the industrial committee in my home town of

Mount Forest. I also served many years in the businessmen's association and the Mount Forest District Chamber of Commerce. The goal always was to help our town achieve industrial growth and to attract new industry for the many reasons I have outlined today. With the support of the members of this Legislature, we will move one step closer to achieving this goal, which will benefit all Ontarians.

I will sum up my proposed industrial strategy.

1. The Ontario government should develop an overall industrial plan for the province, taking into consideration the very real needs of rural and northern Ontario.

2. The government must provide planning expertise for smaller communities, financial assistance to provide services required, and advertising and promotion to attract the interest of potential industries.

3. The government should assume the role of co-ordinator, bringing together both parties—the industrialists and the town representatives.

For the rest, it is up to the leaders in the individual communities to sell themselves. Rural Ontario wants and needs job opportunities. It needs industry. I humbly request the support of all honourable members for this very important resolution that will be of benefit to all Ontarians.

#### BIRTH OF MEMBER'S CHILD

**Mr. Wildman:** Mr. Speaker, on a point of privilege: I know this may be irregular, but I am sure that you and all members of the House will join me in wishing best wishes to our colleague the member for Sault Ste. Marie (Mr. Morin-Strom), whose wife Bernadette delivered a 10-pound, one-ounce baby girl this afternoon.

#### TAX DISCOUNTERS

**Mr. Speaker:** Mr. Morin has moved resolution 22.

Motion agreed to.

#### COMMERCIAL VENTURES IN RURAL AREAS

**Mr. Speaker:** Mr. J. M. Johnson has moved resolution 20.

Motion agreed to.

#### BUSINESS OF THE HOUSE

**Hon. Mr. Conway:** I am sorry to have been delayed. I was helping to unveil portraits of my

friends, the members for York Mills (Miss Stephenson) and St. Andrew-St. Patrick (Mr. Grossman) and the former member for Kingston and the Islands, Keith Norton, at the Ministry of Education.

**Mr. R. F. Johnston:** What a bizarre thing to do.

**Mr. Breaugh:** Why would you do a thing like that?

**Hon. Mr. Conway:** It was wonderful company. Four ministers in one year. Can any department stand that?

**Mr. Speaker:** Maybe you could unveil the business of the House.

**Hon. Mr. Conway:** I would like to indicate the business of the House for the remainder of this week and next. This evening we will debate the procedural affairs committee report 4, to be adjourned. Tomorrow, Friday, November 29, we will have the estimates of the Ministry of Government Services.

On Monday, December 5, we will complete the estimates of the Ministry of Government Services and, if time permits, we will commence the estimates of the Management Board of Cabinet. In the evening, we will have second reading and committee of the whole House, if required, on Bills 43 and 57.

On Tuesday, December 6, we will deal with legislation in the following order, as time permits, in the afternoon and the evening: second reading of Bill 51; committee of the whole House on Bills 45, 46, 47, 48, 49, 50, and, if required, Bill 51; second reading and committee of the whole House, if needed, on Bills 44, 22, 11, 12, 13, 34 and 3.

On Wednesday, December 4, the usual three committees may sit.

On Thursday, December 5, in the afternoon, we will consider private members' items standing in the name of the member for Bellwoods (Mr. McClellan) and the member for Wentworth North (Mr. Ward). In the evening, we will have second reading of Bills 54 and 55.

On Friday, December 6, we will consider the estimates of the Management Board of Cabinet.

I will also repeat formally the information indicated earlier, that we will commence Monday evening sittings on Monday, December 2.

The House recessed at 5:51 p.m.

#### ERRATUM

No.	Page	Column	Line	Should read:
49	1760	1	45	launched an appeal as of Friday, November 8,



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No. 54

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**First Session, 33rd Parliament**

Thursday, November 28, 1985

Evening Sitting

Speaker: Honourable H. A. Edighoffer


Clerk of the House: R. G. Lewis, QC



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# LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday, November 28, 1985

The House resumed at 8 p.m.

## REPORT

### STANDING COMMITTEE ON PROCEDURAL AFFAIRS AND AGENCIES, BOARDS AND COMMISSIONS (continued)

Resuming the adjourned debate on the motion for adoption of the recommendations contained in the report of the standing committee on procedural affairs and agencies, boards and commissions on standing orders and procedure (No.4).

**Mr. Breaugh:** This is a report of major proportions. Even though I mentioned this the other day, I want to reiterate that the staff people who worked with the committee during the summer to put this together did yeoman's work. I think members of the committee appreciate the work of John Eichmanis, who is our researcher, Smirle Forsyth, who is the clerk of the committee, and Todd Decker, who assisted us in putting together—very quickly, in fact—what is a rather extensive report.

We relied pretty heavily on previous reports the committee had done. We also had the opportunity to talk to people such as James McGrath's committee in Ottawa, which had looked at the reform of Parliament. We had a chance to compare notes with people from other jurisdictions, which I think is important.

The upshot of this is a report of which I am pretty proud. The people on the committee did an excellent job at compromise. We did not get a unanimous report on each and every item; it is virtually impossible to do that. What we did get was a consensus that major changes are necessary, and we tried to build those changes into a framework that makes some considerable sense to me.

If there is a prime move in the report it is very simply to make this old building hum with life. This Legislature should have an identity among the people of Ontario. It ought to be a working place for the members of the Legislature. It ought to provide each and every member of the Legislature with lots of opportunity here in the assembly, off in committee and in a variety of

places, to do the work that the ordinary member thinks is important.

For example, many of the recommendations on committees are to provide opportunities for individual members to take some initiative to identify something they personally think is very important: to go to a committee, to have the resources at that committee and to have the ability to organize their business in a committee so they can carry out those initiatives. We hoped that in the process of so doing there would be a flow, an impact by an ordinary member on the way a government forms policy or presents its funding programs and social programs. The attempt is there to do that.

There will be those who will look at this and suggest there is a heavy influence of the American system of government in there. I would not suggest that for a moment. Many of us have had an opportunity to visit the American Congress and several state legislatures. We know what their system is like. Most of us are not advocates of that kind of system.

If there is an apt way to describe this, it is probably closer to what is happening at Westminster now rather than what we might have thought was happening there from visits several years ago. There and in our Parliament, and in almost every provincial legislature in the country, a renewal of the parliamentary system is under way.

That renewal is based on several factors. First, our parliaments are different now from what they were half a century ago. Parliaments have always enjoyed a considerable measure of success by making sure they adapt to the times, reflect different working and living conditions and provide members with the opportunity to use their individual skills in several different settings.

The Parliament at Westminster these days is not very much like the Parliament that met on the fields of Runnymede; it has a totally different character. We are trying to suggest in this report that we adapt to the times as well, that we change the way we work, the procedures by which we get things accomplished around here, and that we do so in a variety of ways.

I am not suggesting for a moment that this report is something that has to be put to the members and that they must say yes or no. There is room for interpretation and negotiation, and there will have to be all those things. What the committee wants is for the impasse to be broken. We want these changes, and it would be useful to spend a couple of minutes on why.

At the heart of the matter is a feeling that the Legislature itself should develop an identity. It ought to be a place that is more than just a house for political argument. It ought to be more than a place where a government gets attacked every day. It ought to be a working place for members of the Legislature. We have tried to provide members with the tools to do their jobs in this report.

The identity of the Legislature as a body is brought out through this report. It begins with the recommendations around the election of a Speaker and says the Speaker ought to enjoy the confidence of all members of the House. There ought to be a bona fide election and that process should come from the members. I remind the House that in Westminster it is much closer to that than it is in the Canadian experience. There they use ordinary members to do the nomination process. There is very often a real election and subsequent runoff elections. That is very much a part of it.

We want to give to the Speaker a role that is a little different from the role you may enjoy, Mr. Speaker, but one that says this building and all its environs are under your jurisdiction. That is not to take offence with any of the ministries or anybody else. It is just that we need a home and the home has to be ours. It has to be under the control of the assembly as that is represented by the Speaker. It means that when we want to do simple things, such as to televise the proceedings of the chamber, we deal within our own home and do not have to go through another ministry of the government.

That again speaks to the idea that the Legislature must develop an identity of its own. Part of that is that this is our home and it is all under the control of the Speaker. That is an important thing. Whether we are talking about televising the proceedings, about security or whatever, there has to be that relationship.

Even on the matter of security around the building—and some of us are a bit reluctant to say this publicly, because it is not a pleasant fact of life that there is a need for security—there is a need to have the security in a parliament building done in a different way from the way it might be

done at an airport or shopping centre. This is a place where people are supposed to have access to us. They are supposed to be able to come here and see the province being governed. That means the security services that are provided are provided in a slightly different way from the way they might be provided somewhere else. All that is contingent upon the security arrangements being subject to the decisions made by the Speaker and the Legislature itself. That is also important.

**8:10 p.m.**

In the recommendations around a parliamentary calendar and timetable, we tried to inject a little bit of normalcy into the lives of members. Most of us do not like to cry about home life and such things, but I want to put on the record that there is no sane reason in the world for me to have an 18-hour working day.

No one I know, no friend of mine, nobody who lives in my neighbourhood sets out of his own free will to work an 18-hour working day except me. I think that is crazy. While we may laugh and joke about stress and strains and choices and all that, the hard reality is many members find the normal working day to be close to 18 hours, and that is wrong.

If we are to make sensible decisions, we cannot be totally exhausted all the time. Unfortunately, that is true of a lot of politicians. At about the time of day when one is physically and mentally ready to sink into the floor, somebody demands that one make a decision. One is not in the best shape to make a decision at that point in the day. No company would put its executive officers through an 18-hour business day and at the end say, "Now make your decision." They know it has to be paced a little differently.

It is not fair to the members' families. There is no reason that our families should go through that stress and strain. At the end of the 18-hour day, it is my wife at home who has to put up with me. I do not always leave this joint in the friendliest frame of mind, and that is not fair to her. Members who come from outside the jurisdiction of Metropolitan Toronto pay a price on top of that in the travel schedule.

My family is the only family on my block that does not know when the old man is going to be through with the fall session. My family is the only family on the block that does not know for sure we are going to have a holiday next summer because we cannot plan a vacation. Almost every member is in the same position.

It is great to say that in the old days we all used to get on a train and go to the Royal York Hotel.



The House would be in session for four to six weeks and people would stay up all night. That is how parliament functioned. That is fine, but this is not the old days. This House now functions in some form almost year-round, whether we are formally in session or off in committee.

Our families deserve the same shot as everybody else's family. They need to know with some certainty that we will be home for Christmas this year, and we do not know that yet. They need to be able to plan for a vacation next summer. Our children deserve some of our time too.

Part of what the report says when it organizes the parliamentary calendar and a different timetable is that there is a better way to get ourselves organized to conduct the business of the Legislature. For example, we have set out a timetable that takes the average number of hours we now sit in a week and adjusts them to four consecutive days. That means we would be at Queen's Park for four days and back in our ridings for three days.

Most of us who have been elected and re-elected once or twice can tell everybody else that one does not get elected in Toronto; one gets elected by the people back home, who have very real demands on a member's time. They want to see the member at their functions and at the member's constituency office. They do not take kindly to the notion from an assistant that the member will not be back until some time next week. They do not understand that and, frankly, neither do I.

We made this recommendation. I think it makes good sense from a number of points of view: from the family's point of view, from the member's point of view and, probably most important of all, from the point of view of having people make sensible decisions. The members cannot always be on the border of collapse, and many are.

We are getting to that state in this session. We have seen it in every session I have been here. Parliament cranks up and it takes a little while to get the legislative flow going. We do not sit one night, but we sit another night. Then we do a couple of more committee reports. All of a sudden, as we get to the latter part of the session with about three or four weeks left, there are millions of civil servants, it seems, churning the wheels of government saying: "This bill has to come. You absolutely have to have it next week."

We start out at a nice slow pace; then the pace quickens. As we get closer to what we hope will

be the end of a session, all of a sudden the work day becomes very long and the Legislature sits from 10 o'clock in the morning until 10:30 at night. We sit extra evenings and we sit extra days. An air almost of panic sets in, and then all of a sudden it kind of collapses.

We think it is possible to organize our time in a better, more productive way that will let members of the assembly lead what is akin to a normal existence. We are in politics after all; so it will not be quite normal.

Let me run through a couple of other points that are in here, because they are important. We dealt with a number of items around the matter of question period. There are those who think this assembly functions only for about one hour a day when the cameras from the broadcast outlets are up in the gallery and that is it. I am sure there are people who report on the proceedings here who are not terribly sure there are night sittings of the Legislature. Certainly there are not huge groups rolling in here from among the population out there.

Question period is an important part of the day; we do not deny that for a minute. The question period we have here has been described as rowdy and rambunctious—several other adjectives could be thrown in—but one thing most of us have recognized over the years is that it is a tough place for an ordinary member. It is a question period dominated by the political leaders. It is tough for an ordinary MPP on any side of the Legislature to work his way on to the question-period list.

Although we have heard millions of suggestions over the years as to how we might organize or reorganize and do things to the question period, when it came right down to it, we said simple things: the leaders get a question and one supplementary and so does everybody else, and that is it. That is about as good as it gets. The intent is that we provide the occasion for every single member on both sides of the House to ask questions during question period.

It seems that no matter what we do—and we have tried on a number of occasions—there is an instinct in us that says that if there is a group from back home up in the gallery, somehow we have to find a way to recognize it. If something happened in my riding, I am going to find a way to tell members about it. The Oshawa Generals won a hockey game; the Oshawa Hawkeyes actually won a football game. These are all events that might not mould Ontario, but they are very important to us in Oshawa, and somehow I

am going to do that; so we might as well recognize it.

We said we would take a little portion of the question-period time and let the members make short statements. The onus is then on the member to compress the 20-minute speech he has for the Rotary club back home into a minute and a half, get it on the record and get it out of the way. We thought that was important.

We thought it was important that members of the government, particularly those in the cabinet who make ministerial statements, continue to make those and that members on the opposition side get to respond to them. However, all 125 members do not need to spend time listening to a 10-, 15- or 20-minute ministerial statement. The ministers can go outside and do that. They can have press conferences downstairs. They can go to the Royal York Hotel or the Sutton Place Hotel, organize a huge conference on the matter and give a very lengthy speech. In here they should give it to us in short form; they could provide us with all the background information, but keep it short in here.

We did attempt to compress that to make it go a little bit faster. I know there will continue to be problems with it. It is a difficult time. Other jurisdictions, oddly enough, have question periods in which people really ask questions. That has not been the tradition in our House. I wish it were; I wish we could get to that point. I wish people would recognize that one can ask a 20-second question in here and go out and give a five-minute speech. Why do members not do that?

Maybe we have hopes that go a little bit too high here, but we are going to try. We want that occasion to be shared by all members. In particular, we want ordinary members to feel they have a chance to get the concerns of their constituencies on the record. Their agenda might be quite different from the concerns of their political party, which may have some other great tong war under way and which may not be interested in what happened on Erinlea Avenue in Oshawa last night. However, I am, and the people I represent may well be, so we need some occasions to do that. We tried to present that in here.

Let me go to a couple of other things that some will consider housekeeping but that I think are a little more important than that. When one is asked by people why the bells are ringing and how long they will ring, one has to reach for the standing orders to figure it all out. We thought there was a need to simplify that: five minutes

and 15 minutes. At the end of 15 minutes, votes will be taken, unless somebody has a good reason for members to need a little more time to get in here; so one could extend it for 24 hours.

#### 8:20 p.m.

It speaks to an issue that has happened here on more than one occasion, as well as in Parliament and in other provincial legislatures, and that is the wonderful new tactic of how to hang things up in the air by not voting. Those of us who have been participants in this process of not voting, and who perhaps even thought at one time that it was a catchy, novel thing to do, have now come to the conclusion that we were not elected in our constituencies and sent down here not to vote. We were not sent down here to take a hike, to go for a walk in the hall or to stroll along Yonge Street. If there is something happening in here that we do not like, we are here to vote against it, but we are here to vote.

The recommendation is in here that will, under normal circumstances, give us a lot of notice that a vote will happen tonight. We have 15 minutes to do that. If members are in Thunder Bay and have to travel overnight to get down here, we can handle that, but a vote will occur. It is not exactly a revolutionary idea, but one that needs to be dealt with.

Let me pick a couple of other areas that need to be dealt with. We thought the whole matter of committee structures needed to be shuffled around.

First, we have seen places in other jurisdictions where people get a lot of information about a budget, whereas it has been only in the last few years that members here have been able to get much in the way of budget forecasts or information the Treasurer of Ontario might have in preparing his or her budget. It is important that a committee of this House develop some economic expertise in forecasting what might happen to Ontario's economy and in putting together options from which a Treasurer could choose something to put into his budget. We must begin to develop that expertise on financial matters which we do not have now.

In reshuffling the deck in the committee system, we spotted that area as a weakness in our system and we felt it should be beefed up.

We also tried to deal with the matter of estimates, which has been a long and thorny argument around here for some time. We now begin each session with some 420 hours allocated to the estimates of various ministries and many members are unhappy with that amount of time.



As one who often has to be a critic for two or three ministries and who often has to spend 30 to 40 hours in estimates, I know the loneliness when there are two weeks to go before the Christmas break and I have a set of estimates that is going to take another 15 or 20 hours. I am off in an estimates' room with a minister who is kind of imprisoned there with his staff and a couple of opposition critics and a very lonely chairman. There is no one in this world who really cares about what is happening in that room.

Many of us, as an exercise in frustration, are speaking out that this an exercise in futility. We want to do it in different ways now. We want to have reviews of estimates but in a more methodical way. We want to have other opportunities to challenge what the government is doing and we have provided for those. We want to have flexibility in how the committees are structured and what they might do.

We need to have committees that have proper resources. I want to spend a minute on that because I have had some reaction to the idea that there be a committee branch established. This is a good example of where some discussion is going to have to ensue as to precisely how we do that.

One of the things that struck us in other jurisdictions, particularly south of the border, is that one often sees members of state legislatures with rather large staffs and members of the Congress in Washington with huge staffs. Their committees also have that potential.

We are nowhere near that, but we have come a long way in recent years. Individual members now have reasonably good staffing. At least the potential is there for some options in the hiring of staff, looking after constituency work and looking after the legislative side of things. That was not the case when I first arrived here.

Committees should have access to staff. Very few of our committees have permanent staff or hire people on contract, though that can happen. For the most part, we are utilizing services available from the legislative library research department, which are quite good.

We wanted to take it a step past that and say that committees as a matter of right can establish budgets, hire a staff and do projects on their own. When they decide how this administrative package should be put together, someone might say, "We already have an administrative branch that is doing that in the legislative library." It is fine by me if that is how people want to proceed to set up that administration.

I want, however, to caution members here. I want it recognized, and we tried to do it in the

report, that what is in argument here is that committees of the Legislature have a right to have the tools to do their job. That means some research capacity.

There are some practical problems. If committees change agendas, and we suspect they would do so a great deal—they might take a subject such as child abuse in one session and study that and in the next session look at some other area of concern to the committee—it is pretty difficult to hire someone with expertise in one field and then ask that person to switch over to something where he or she may have no background and no training.

The British system has managed to come up with something quite remarkable. To serve as a researcher for a select committee at Westminster is considered to be a great honour. People all over the country are anxious to provide their services, in some cases at no cost or at least at minimal cost. There is a great deal of status involved in working with and advising select committees. Very often they get the best minds in the country in a particular field being prepared to lend their expertise to a committee. They are not interested in it as a career, but it is looked upon as an honour. I would like to encourage that kind of participation by experts.

We recognized that one problem in having only one administrative body handling research is simply that the research required may be totally different in nature from one session to the next. We may not be in a position to offer a career opportunity, but we can offer opportunities to generalists. That is good and worth while, but there may well be times when a committee of the Legislature needs a particular kind of expertise for a short time. Whether it is done through a committee branch in the office of the Clerk or some other measure, it does not matter to me what it is called; it simply matters that the expertise be made available. That is important.

Let me touch on a couple of other things in the report. There certainly are a lot of them. We reviewed the status of the Board of Internal Economy. I recall when it was first established the first move was to try to re-establish an identity and budgetary function for the Legislature. When it was first touted, there was a strong move to say the board ought to consist of ordinary members. Then there was a move to have cabinet representation as well. We wound up with a board that is not exactly like any other committee around.

The recommendations we have made about the Board of Internal Economy are not meant to be

critical of what has evolved, but to say it should be a committee of the Legislature like every other committee, charged with a special function. It will probably have to meet in camera more than other committees because it does deal with personnel matters and it does have financial concerns before it, but so does every executive committee or board of control in every city council in this province. For the most part they manage to do these things in the public eye. We think it is important to establish that here.

One of the recommendations suggests rolling the standing committee on members' services into the Board of Internal Economy. Instead of having the Board of Internal Economy meeting once a week or so over here and the members' services committee meeting in public over there, we blended the two ideas.

We also talked about closure. If a government wants to move closure it has that parliamentary tool at its disposal, but that is what it ought to be called. The standing orders should identify it as closure and that is the motion that should be put; not a time allocation motion or some other motion of that kind, but a closure motion. There should be no embarrassment on the government side. If they think an issue has been dealt with fully and they have enough votes to get by, they can move a closure motion at their pleasure.

No one likes closure motions, I hope. On the government side there should be a reluctance to make them and on the opposition side there should be a real reluctance to have them as an accepted part of the procedure, but that is reality. We tried to recognize it by saying that when the government wants to move closure, it should move closure.

### 8:30 p.m.

We looked at the matters that are loosely called confidence matters. The recommendations of the McGrath committee in regard to the federal Parliament in Ottawa made some sense to us. There should not be this loose, cannonading, decision-making process around what is a matter of confidence. It should be a clearly defined matter. The fall of a government is not something anyone should take casually. We should carefully identify what is a matter of confidence and put it on the books so that in future, when people want to know what confidence is, we will be able to find an answer to the question and not have to read 100 years of parliamentary tricks, stunts and routines or 1,000 opinions by academics.

There are four or five clearly identifiable things that should be construed as confidence. We have identified them and put them in the

report. From this point on, I hope this will be the rule book. On the matter called confidence, this is what it will be. When it falls into this category, it will be a matter of confidence. If it does not, it is not; it is a disagreement. You may lose a bill or have a bad day in parliament, but that will not be a matter of confidence. We have made recommendations in that regard.

I want other members to have a chance to participate. I will conclude by saying this has been a long time coming; for me it has been a decade, and for some members of the Legislature longer than a decade. We have put together a package of parliamentary reform that will allow us to be like normal working people, to have a reasonable calendar and timetable that will allow us to utilize all the intelligence that is here.

One of the things most of us who are fans of the parliamentary system, and I am one, offer as criticism is that there is a tendency to say that all the brains in a parliament reside in the cabinet and that nobody outside of cabinet has a contribution to make. I know that is not true. There are members on all sides of the House in all political parties who have a contribution to make. If we were at the municipal level, they would all get the opportunity to do that. That it is not the tradition to do things that way is too bad.

We can no longer proceed with a system of organizing our business that precludes other people from taking some initiative. That does not mean I am opting for an American congressional system; I am not. I am a fan of the British parliamentary tradition, but the British parliamentary system at Westminster today is vastly different from what it was 100 years ago, and it ought to be. One of the strengths of a parliamentary system is its ability to change, to adapt and to use all the abilities of members on all sides and to use them well. That is the single most important thing in this report.

It does not matter to me whether the wording of one standing order is changed and another is not, whether all the changes recommended to the Legislative Assembly Act happen or whether all the administrative changes happen in quite the way I envisage. I could have written a dissenting opinion to this report because it does not contain everything I ever wanted this parliament to do. However, it does contain the bulk of it, and it offers us the chance to work in a political structure that makes some sense and deals with the realities of life in the 1980s in Ontario.

It offers all members that much opportunity. Whether the members utilize it any better than before will be a good question. We cannot do



anything about that; all we can do is put together the opportunity to do those things.

It may well be that members will still come here and for 10 years never do anything except stand up at the right time. We cannot stop that, but we can say there are people who have experience—people who came out of municipal politics, the professions or the trade union movement—who have things to say and have things that need to be done. We have provided a vehicle whereby they can do those things.

That is what this report is all about. I commend it to all members. It is at least worth their time to think about and debate. We will have some political arguments about it. I do not expect for a moment that it will happen overnight; it will not. Even if we pass the motion tonight and say we are all in favour of it, it will not all unfold tomorrow morning.

A lot of work must be done by a lot of people after we go through these considerations, not the least of which is the recommendation that we put it in on a trial basis starting with the spring session and try it for a year to see how it works out. We think we have recommendations that are coherent and make sense and open up a lot of new potential for members to do good work. We may have been wrong; we will not know until we try.

The question I really want to put to members tonight is, do we have the courage to try this? Do we have the intestinal fortitude, the political will, to try something a little different, to expand our horizons? For many of us it will be a challenge. This report does not say that we come in here and hack and whack for an hour a day and try to take political cheap shots at somebody on the other side of the House. The report says we can do that, and there will be an hour a day in question period when I suspect it is not going to be any more friendly, more peaceful or more loving than what we saw today.

It says, in addition, there are lots of other hours during the day when we can go off to committee, to our offices or into the Legislature and get something done. If I have a frustration as someone who has been around here for a little more than a decade now, it is that on very many days I did not feel I had worked very well that day. I might have worked hard and I might have worked long, but I was not very productive, and the report we are debating this evening provides me with opportunities to do things.

On that basis alone, I think it is worth the members' consideration. I hope all members will take a look at it. We will argue about it, we will have a discussion here tonight and then we will

begin the process of reforming, of opening up a process that really does cry out for reform. I believe this report in its present form is a working document that will help a lot of us to lead better, more productive lives. In the end, the best part of it all is that it will provide a form of government that is more open, more productive and just plain better.

**Mr. Mancini:** I am very happy to participate in the debate on the fourth report on standing orders and procedure prepared and presented to the Legislature by the members of the standing committee on procedural affairs and agencies, boards and commissions.

As I looked back over my long years serving on the procedural affairs committee, I really did not see much hope for change, although we have had on the committee many progressive members, some of them even Progressive Conservatives—members such as the member for Durham East (Mr. Cureatz), whom I have always considered to be very progressive as far as changing the rules of the assembly was concerned. I guess one of the reasons he was so progressive is that he had worked for a while as the Deputy Speaker of the House and had gained first-hand knowledge of how the rules affected members.

I think now there is an opportunity for change, there is an opportunity for the members of the House from all sides to get together, to read the report and to take advantage of some of the recommendations we have made. Our committee works somewhat differently from any other committee of the House. We all sign the reports whether or not we agree with them in their entirety. Every member of the committee always signs the report, knowing full well there are some items he would rather not have in it. Every member may have something different; that is up to the individual member, and he will be free to express his own thoughts at the most appropriate time, such as tonight.

After being on the procedural affairs committee for five or six years, and after not being very pleased with the way our work has been received, I now think there is an opportunity here for change. Believe me, we need change, not only to make our own working conditions better so that we can operate in a more effective manner, but we need change so that the change we implement will have a positive impact on what we do for the people of Ontario.

**8:40 p.m.**

I want to take a few moments to talk about some of the important things the standing

committee on procedural affairs has touched upon. We all work here. Basically, we live here, as the chairman has said, because of the number of hours we spend here. I have never been able to understand the former government's reluctance in handing over the jurisdiction of this building to the Speaker of the House.

The Speaker of the House is supposed to represent each and every member in a nonpartisan manner. Who then is better qualified than the Speaker to be in charge of the operations of the Legislative Building? Not ministers, not deputy ministers, not administrators, not managers, not civil servants. The Speaker of the House is an impartial member of this assembly who has been given the tremendous responsibility of governing the operations of the building and maintaining order in the legislative chamber. I have never been able to figure out why the Speaker has had to share the responsibilities with at least two other ministries in this chamber.

I have said many times that I have always been concerned about the architectural integrity of this building. On many occasions a great deal of structural work has been done on the building without the left hand knowing what the right hand was doing. We are abdicating our responsibility when we allow things of this nature to happen.

First and foremost, I am hoping the new Liberal government will finally give jurisdiction of the parliament building and all the surrounding area to the Speaker. He can then become personally responsible to each and every member of the House. If we have a grievance, we will know whom to talk to and we will know it will be settled in a nonpartisan manner without having to debate it with two or three ministers and X number of civil servants.

That is not being derogatory in any way to the civil servants who work here. We appreciate the work they do, but the job of being responsible for the assembly should be the Speaker's. With the procedural affairs committee making that sound recommendation, I hope the government accepts it very quickly.

**Mr. Villeneuve:** You are the government.

**Mr. Mancini:** We are going to do something about it.

There is another subject I want to touch upon. The present Speaker, whom we all know affectionately as Hugh, has the respect of all members in this Legislature, no matter what side of the House they sit on. I am absolutely sure if we held a secret election ballot for the office of Speaker, he would be elected.

This leads me to the next point. The members of this House should elect the Speaker. We should make him directly responsible to us. I have been here for 10 years and I have liked some Speakers better than others. Let me say it that way. What recourse did I have as a member if I deeply believed the Speaker was not being impartial or if I deeply believed he had some failings that were so severe that someone else should be in the chair? What recourse does any member of the House have even now if, from what they have witnessed, they come to this conclusion because of their sincere beliefs? They have no recourse whatsoever.

Any man or woman who sits in that chair should command the respect and have the complete confidence of the 124 members who sit here on the floor, of all 124 if possible. I support entirely the recommendation of the procedural affairs committee that says we should elect a Speaker.

There is one other item I want to mention about the Speaker, which was not touched on in the report. In my view, the Speaker has responsibilities as significant as those of a cabinet minister, and I would surely recommend that the Speaker's salary be equal to that of a cabinet minister. I cannot understand why we would give a person so much responsibility, put him in such a sensitive position and then say, "We are going to pay you what we believe is half of what you are worth." I have just never been able to accept that.

**Mr. Villeneuve:** Is the member Deputy Premier?

**Mr. Mancini:** I do a lot of work for the Premier (Mr. Peterson) and I am very busy on behalf of the Premier. I travel the province on behalf of the Premier, I attend many public functions on behalf of the Premier and I do many special projects for the Premier. I fulfil my responsibility as he sees fit. Of course, I am not the Deputy Premier. Do not be silly.

**Mr. Villeneuve:** The member was introduced that way the other night.

**Mr. Mancini:** I am the parliamentary assistant to the Premier.

**The Acting Speaker (Mr. Morin):** Please come back to the topic.

**Mr. Mancini:** I am being interjected at; I am being provoked. The member for Stormont, Dundas and Glengarry (Mr. Villeneuve) is provoking me.

**Mr. Villeneuve:** I like to pick on little guys.

**Mr. Polsinelli:** The member picked the wrong guy.



**Mr. Mancini:** We have talked a lot as members over the lunch table, in the corridors or while the bells were ringing about how we could get this place to function a little better. Many of us have concluded, and the procedural affairs committee has concluded, that we need a parliamentary calendar. We need to know when the work of the assembly is going to commence and when it is going to end.

Let us take, for example, the predicament we are in right now. We are here in the chamber. The House leaders have been negotiating for the past two or three weeks the exact date on which the House will recess. They have been negotiating when the House will reconvene. They have been negotiating this for weeks. We are three or four weeks away from Christmas and we still do not know when the House will recess. How on earth can we run a place in a businesslike manner when we do not know when we are supposed to be here or when we are supposed to come back?

I heartily endorse the recommendation of the procedural affairs committee that we implement a calendar. Then, if there are special circumstances where the business of the province has not been able to be completed, we as a legislative body can extend our sittings; or if there is an emergency or a crisis, we as a legislative body can respond to it by coming in earlier.

The reason we need a calendar, other than to know in advance when we are going to conduct our business, is so we can structure the work of the very important committees. This place has changed since 1970. It is not the same place any more. The committees are very important. They do a lot of good work. The members on these committees should know exactly what time is available to them in order for the committees to schedule their own work properly.

For example, this morning the procedural affairs committee was trying to decide what work we could schedule during the winter months. We know what we want to accomplish, but we do not know what the legislative calendar is. We do not know when we can have witnesses come before us. We are being delayed in getting our work on the table because we do not know and there is no system in place for us to use as a guide. I endorse the procedural affairs committee recommendation that we must have a calendar.

**8:50 p.m.**

With regard to hours of work, people say: "What is so important about hours of work? You are a politician and you knew in advance you would be away from home and that you would have to work long hours." That is fine. Everyone

accepts that. I accept that gladly or I would not be here.

The reason we want to set numbers of hours and the reason we are interested in changing the hours and the way we sit during the day is not to reduce the work load—the work load will not be reduced, it will always be there—but to be able to conduct our work in a businesslike fashion.

There is a reason the assembly starts its work at two o'clock in the afternoon. I am told that in England the reason the House of Commons commenced at two o'clock in the afternoon was so the solicitors and barristers and the learned people in the law could go to court in the morning. They would go to court, have a case heard and bill their clients. That is all fair; I accept that. Some of them would bill more than others, especially if one were a Queen's Counsel and could bill more than the poor person who was not. Anyway, that is why we commence our work at two o'clock in the afternoon.

Those days are gone; at least they are gone here. The barristers and solicitors who sit in this assembly are so dedicated and busy with the work of the assembly that they would never have time to go to court in the morning. They would never have the opportunity. They are so dedicated and the work of the assembly is so onerous they must spend not only their afternoons but also their early morning hours here.

Why start at two o'clock in the afternoon and sit until 10:30 at night? Let us start at one o'clock, as the standing committee on procedural affairs has said. Let us fit the same number of hours we now sit into a new schedule that is more businesslike so we can conduct our business in a more efficient manner.

There are a lot of members of Parliament and there are a lot of members of this Legislature who are very critical of government. The first thing they say—

**Mr. Villeneuve:** Rightly so.

**Mr. Mancini:** That is right. They were very critical of the last government.

People say: "Why should government be involved in this? Government cannot run business. Government should not be involved in all these things. Look at all the terrible waste." It is no wonder people say that, because we cannot even conduct our Legislative Assembly session in an effective, businesslike manner. It is no wonder people feel that government cannot operate anything. We do not even know how to structure our own work here in the assembly and we are in charge. I find that surprising.

All of us have many obligations in the evening, whether we are from out of town, from the Metro region of Toronto or from the near vicinity of Toronto. There are many client groups that want a representative of the government to attend their functions or whatever they are doing at a particular time. There is a tremendous amount of pressure on the members to make sure they meet with those client groups, no matter who they are. It is very difficult to do that when we are recalled at eight o'clock in the evening and required to be here until 10:30. The elimination of the evening sittings would not eliminate work for the members, because the members have other work they could be doing in a businesslike fashion.

One thing always bothered me when I was in opposition and still bothers me today. I sincerely hope we can do something about it, but I do not know whether we can. The elimination of the Wednesday sitting is something I cannot fathom. I understand why, but I have never been able to accept why we have to be here on Wednesday and have no Wednesday sitting, and then be required to be here from 10 o'clock Friday morning until one o'clock Friday afternoon. Who are we trying to deceive?

Who are we trying to deceive? Are we sitting on Friday morning for three hours just so we can tell the constituents back home, "I have been in Toronto from Monday to Friday"? Is that the game we are trying to play? If it is a game we are trying to play with the public, should we not be somewhat embarrassed? Are we embarrassed by the number of hours we put in here? Are we embarrassed to make public our schedules and show exactly what we do in any given week?

I have always found it disappointing that the resistance to changing the days of sitting, and particularly sitting on a Wednesday, came from the Metropolitan Toronto members who were able to drive home every night and be with their families or from members who were within a one-hour driving distance of their homes.

We all have families and we all have a good many constituency obligations we must attend to. It is really unfair and very callous of the members from Metro or the regions near Metro to be in opposition to a change in the sitting days of the Legislative Assembly.

We have put forward what I consider to be a very fair schedule. It is fair to the members, fair to the cabinet, fair to the Metro members and fair to such members as the member for Sudbury East (Mr. Martel), the member for Oshawa (Mr. Breagh) and the member for Stormont, Dundas

and Glengarry. Why should he be required to spend all Wednesday afternoon here waiting for Thursday to happen? That is not fair.

**Mr. Villeneuve:** I am on committees.

**Mr. Mancini:** Committees can sit Thursday morning, Wednesday morning and Tuesday morning; and if the work is not done, they can sit one of the evenings.

Let us end this charade where we try to convey to the people of the province that we are down here sitting five days a week, when we all know it is not true. We all know we sit four days a week and only three hours on Friday. It is one of the biggest abuses of people's time I have ever seen. It is no wonder people feel government cannot operate in a businesslike fashion.

We have dealt with many other important things. We have dealt with questions of privilege. We have felt for a long time that questions of privilege during question period interrupt the flow of question period. In some cases they are an abuse of the privileges of the members because they take time away from question period.

We are allotted only one hour and it is very difficult for members to get their questions in during the one hour we have. The recommendation not to hear questions of privilege—we are not talking about points of order—during the one-hour question period is something I think the members of the assembly should endorse.

We went on to discuss ministerial statements and statements made by ordinary members. I was very reluctant to agree with the committee that individual members should be allowed to make statements, because I have watched the situation in Ottawa and I have concluded the time allotted for statements by members in Ottawa is an abused privilege.

**9 p.m.**

I agree entirely that members should be able to bring to the attention of the House some very important items that may have occurred in their constituencies. Members may want to acknowledge in some way the work of another member, of an individual or of a community group somewhere in the province. Having watched what they do in Ottawa, however, they spend more of their time making a farce of the whole thing and trying to think up something cute and funny to say to fill up the time allotted to them than actually doing what that privilege set out for them—

**Mr. Sterling:** It is the rat pack.



**Mr. Mancini:** The rat pack is following what other people did when the Conservatives were in government. I am not saying what the rat pack does with all its privileges is correct, just as I am sure the member does not agree with everything the Tories did when they were in opposition. There are two sides to every coin.

I would like some perimeters for these statements. I would like some guidelines so this opportunity will not be abused.

**Mr. Cousens:** What is the difference between a perimeter and a parameter?

**Mr. Mancini:** A perimeter is around; a parameter is—got it? Thank you very much. The member did not think I knew that, did he?

**Mr. Cousens:** The member is full of surprises.

**Mr. Mancini:** I am not a lawyer but I am a gentleman. The member is right.

**Mr. Cousens:** And the member speaks English good.

**Mr. Mancini:** Merci.

Ministerial statements: we want to limit them to 20 minutes. I find a small problem with that.

**Mr. Partington:** Speaking of 20 minutes.

**Mr. Mancini:** I am just about finished.

What if there are two or three important statements that have to be made? Are we always going to have to ask the House permission to extend the 20 minutes? I do not find 20 minutes to be quite long enough. Half an hour to cover the—

**Mr. Martel:** And then we will need 35 minutes.

**Mr. Mancini:** No. We will stop it at half an hour and then get special permission from the House to extend it over that. We will be asking permission of the House to extend the 20-minute rule two or three times a week. I am willing to go along with the committee to try it. I am willing to try it in one or two sessions to see how it works; however, I perceive that to be a problem.

Questions by the opposition: when we were in opposition I felt at the time, and I feel now after witnessing what happened this afternoon, that leaders can abuse question period and ordinary members can be shunted aside almost on a regular basis.

I agree with the procedural affairs committee's report, which states that the Leader of the Opposition gets one question, a supplementary question, a second question and another supplementary question and then the action moves over to the leader of the third party.

If we do not take steps such as those outlined by the procedural affairs committee, we are going to witness day after day what we saw this afternoon at two o'clock when the first question of the Leader of the Opposition took 12 minutes.

We talked about emergency debates. The procedural affairs committee has recognized the problem with emergency debates. We want to eliminate any potential embarrassment for you, Mr. Speaker, so we want to remove the political decision from your hands. We want you to judge only whether the motion is in order, and then we can make the political decision. We want you to have the neutrality and the respect you deserve.

We talked about bell-ringing. I agree that the business of the House should not be held up during a very lengthy period because of some bell-ringing antics, which were made famous by the Conservative opposition party in Ottawa. I agree that stopping the whole business of the country or of the province for some political motive is wrong.

**Mr. Sterling:** Did that happen here?

**Mr. Treleaven:** No, it never happened here.

**Mr. Mancini:** Yes, it did happen here. Let me explain; I am not finished. It did happen here, I believe, one Friday afternoon a long time ago. The Liberal Party, when it was in opposition, did use a similar technique. The bells rang all weekend and we came back to work on Monday. I am not exactly sure how many business hours of work we lost, since the majority of the bell-ringing occurred during the weekend—unlike the situation in Ottawa where the work of the country ground to a halt. However, whether we did it and whether we took advantage of the situation for a day or two, it is still wrong.

If the members opposite want to keep that option open for themselves, fine. I do not think it won the opposition in Ottawa many points, and to be frank, I do not think it won us very many points either; so it is up to those members to decide how they want to conduct the business of the House. I agree entirely that the votes should be held up only when members are not able to make it and when they have been instructed by their whips to return to Queen's Park for the votes. Then yes, indeed, the bells should ring.

Before I wind up, I want to speak for a couple of minutes about the Board of Internal Economy. As an ordinary member who has spent a long time in opposition and only a few months in government, I have found the work of the Board of Internal Economy to be something like that of Druid priests. These Druids meet once a week someplace in this building. I honestly do not

know where they meet. It is dominated by the government, of course, which makes the whole thing suspicious. It makes decisions on very important matters.

**Mr. McClellan:** Absolutely no doubt about it.

**Mr. Mancini:** Absolutely. These Druids meet once a week, and they decide on very important matters.

Interjection.

**Mr. Mancini:** Whoever they are, they decide all these important matters, and every now and then one of the high priests comes down from on high and tells one caucus or another, "We have decided the following." Then there is a big kerfuffle in the caucus and everyone wonders how anyone could come to these conclusions. It is just like the Pope in Rome. He is infallible, or what he says is infallible or something like that. So is the Board of Internal Economy: what it says is infallible.

We must change this as soon as we can. The board must be dominated by ordinary members of this assembly, because what it does impacts on all members; and to have a select few, particularly from the government, in my view is wrong. If we find we cannot work within such a system, then we must create another vehicle to do much of the work of the Board of Internal Economy. One way or another, we have to remove power from those mullahs who meet once a week somewhere in this building.

There is a great deal more that I wanted to talk about, but time is running along and I know for a fact that the member for Oxford (Mr. Treleaven) has a good deal to say about this report. He is going to make many progressive statements. We are all going to be surprised and we will give him a ringing endorsement.

**9:10 p.m.**

**Mr. Treleaven:** Mr. Speaker, you can see that on this side we are so enthusiastic about this report we are fighting to get on next. I am going to deal with only four topics, unlike my friend the member for Essex South (Mr. Mancini). I am not going to deal with many things in my dissenting opinion.

I would like to start by acknowledging the work that has taken place. I was not here in 1979 and 1980 and I cannot speak about the work that was done then, as the member for Oshawa can. However, I can talk about the past two years, 1983 and 1984, as could numerous members of the committee who either are no longer with us in the House or have gone on to their rewards with other committees.

We spent a lot of time on this report. I hope it bears some fruit. I would like to speak on four different matters. The first is members' statements. In my dissenting opinion I stated that I do want members' statements. There is no doubt about that. It is an innovation the federal House has brought about; it seems to be working well and makes the place more relevant. It also cuts down on frivolous or irrelevant points of privilege. However, I disagree with the order.

I believe ministers' statements should be first, because matters may arise in the ministerial statements about which the members may wish to speak in their 90-second spots, referring to them either positively or negatively. I think members' statements should be for 10 minutes following the 20-minute ministerial statements spot.

The second matter is about the division bells. We had a formula in a previous report, and the member for Oshawa likes to refer to it as the Rotenberg rule. In fact, it was the Breaugh formula and it should go down in history known by that name. This sounds like the title of a Robert Ludlum book. The Breaugh formula, while it was ponderous and long-winded—it could take something like 23 days to wind its way out—at least was a formula to bring bell-ringing to an end at the end of the formulated time.

I disagree with coming right down on 24 hours at this time. I remember the discussions, perhaps in 1983, when there was an attempt to get an eight-hour bell. The then opposition squealed like stuck pigs about that short eight-hour limit. Now it is 24 hours, but it still seems it depends on whose tail is in the crack as to how we feel about various topics. The 24 hours does not allow an opposition to take a strong position and express its displeasure by stretching out bell-ringing.

There is a chance there will be a penalty to be paid in the public's eyes and the voters may have their vengeance later on. However, an opposition should have a much greater chance to express its displeasure. The Breaugh formula allowed that. It combined several things. It allowed the bells to ring intermittently, but the business of the House could carry on in the interim. There would be a bell-ringing episode, and then there would be three days when the bells could not ring; then the bells could ring again, and the House could resume again.

Although ponderous, some formula such as that had the best of two worlds. It allowed the opposition its right to express its displeasure in a fairly extreme fashion, but it still allowed the business of the House to go ahead. It stopped the



House from being permanently hijacked by one relatively small group.

The third thing I would like to speak about is the recommendation in the report for the establishment of a committee branch. This recommendation originally came about in 1979 or 1980, I believe, at which point our legislative research service was not up to speed, it was not up to where it is now.

Right now, it seems to me we have a very efficient research service, and I know in the past we have been able to add people. For example, when our researcher John Eichmanis was bogged down at one point with too many agencies, boards or commissions to research, we obtained someone else to assist him by taking two or three of the agencies, boards or commissions from him to do the initial research on them.

Mr. Speaker, I believe in your previous incarnation you will recall when we did have two researchers working with us. We had that flexibility. I believe the flexibility is there to bring in more than one researcher from the legislative research service when occasion makes it necessary.

There is a certain expense involved in the addition of a new branch, which it has been estimated could get out of hand into the several hundreds of thousands of dollars if a researcher were attached to each committee on a permanent basis. I question this matter and think we should look into it carefully before we commence another branch, not only from an expense point of view but also from a duplication point of view.

The fourth and last thing is the confidence convention. Mr. Speaker, I do not want to attribute motives because you would certainly not allow that. I will just say it is an extreme coincidence, in the light of events that took place in June, that we have now a confidence convention listing six different situations under which items are considered to be a matter of confidence and a government would fall. All other cases are not considered to be matters of confidence and the government would remain.

It seems to me that if this confidence convention is allowed to become part of the standing orders of this House, we will be legitimizing the accord that took place last June. I do not believe that is desirable from several points of view. We have British parliamentary tradition and all kinds of precedents to fall back on as to what is and what is not confidence.

I do not believe we should go to a system that approximates more closely the American congressional system with a set of rules set forth. It is

a little too expedient at this point. Perhaps in the future, after a change in government, when the accord is history, I would look at this more favourably in an impartial light; and other members of the House could look at it more impartially at that time as well.

I want to give other people, and particularly the member for Durham East, the chance to take part in this debate. Mr. Speaker, I thank you very much for this opportunity.

**9:20 p.m.**

**Mr. Martel:** I am amazed at my friend and what he has just said. Much of what is in this report tonight was in a number of other reports his government refused even to bring forward for debate. I recall, as House leader, attempting for at least three years to have a debate. Now he is telling me: "Wait for a change of government. We might look favourably upon it."

His government did not even look favourably upon bringing the report forward so at least we could debate it for consideration. To expect anything from that government, whenever the day might come, is asking us to believe a lot. My friend knows full well that for three years, then two years and one year, we tried desperately to get those various reports at least debated. We could never even get them to a debate on a Thursday evening let alone start to put committees in place that would put all the nuts and bolts together. So it is hard for me to expect anything different from that side of the House and believe it is sincere. I think they prefer to live in the Dark Ages.

The member who just spoke was one of those who spoke against television in the House. I recall in a debate we had about a year ago, when his party was in power, that same member who said he was going to talk about change opposed a resolution on televising the Legislature and making it possible for the people of Ontario to get a handle on what we do around here.

I remember saying that TVOntario had to carry it live in the middle of the day so that teachers could use the television debate as part of history courses being taught; or it could be part of Man and His World, or Politics in Ontario, trying to give people an appreciation, to be able to tune in and watch what is going on through TVOntario, which goes to about 95 per cent of the province. I remember my friend opposing that. Somebody wrote a speech for him and he came in like Attila the Hun and wanted to keep us back in those dark, dreary days.

**Mr. Mackenzie:** A number of us have that member's measure.

**Mr. Martel:** I have a long memory.

There are some things in that report that are absolutely necessary. We can no longer tolerate a Premier's office dictating the policy in this building. Some of my friends are amazed at the rat holes they ended up in. They could not understand how they could be relegated to such dungeons. It was a traumatic experience for some of them as they moved out of their 40-foot by 40-foot offices and into offices opposition members had to live in for years.

There is only one way we are going to prevent that from happening again, and that is when we give the Speaker the responsibility for everything in this building. That can never happen again. This building, through the Speaker's good offices, will be doled out for its various functions not on the basis of who is in power but that members are entitled to the same facilities regardless of party.

The government also blocked television. I sat on a committee that redrafted the rules in 1976. We recommended at that time that this building had to be renovated and brought back to its original state. Look at this crazy room here. I am told it used to have soundproofing material and somebody decided to paint it over. So the cost of television, which is supposed to be \$2 million—and it really is \$2 million—goes to \$7 million because somebody from the Ministry of Government Services who could not care less about the members came in here and painted the whole thing over. Now we are going to tear it out and start to renovate it.

Interestingly enough, when Government Services controls this building, in the pecking order the last people who get anything are the members; not if one was a Tory member, but if one was an opposition member. One only had to look at facilities or at a host of other things. I say that day is gone. This government has to make this building come under the Speaker, who will be chosen according to these rules.

I am not quibbling with the present Speaker. I told him the other night I thought he was doing an excellent job. I do not compliment Speakers very often because many of them have thrown me out on occasion. I am pleased with the way he is conducting the business. I do not care what side of the House one is on, there is a sense that he rules with fairness and that is really what most members want. That is the way he would conduct the business of this Legislature and of the members, and that is all I have ever been after: it must be fair for everyone. The system I have

lived under for 18 years here was anything but fair. We could not even talk about rule changes.

There are some other things. My friend the member for Essex South spoke on timetabling. We know why timetabling never changed. The Tory cabinet thought we could not look after ourselves at night. We out-of-town members might get in trouble. Is that not wonderful? Thank God, Big Brother was looking after us. We could not look after ourselves.

Monday night and Wednesday night are the boys' nights out.

**Ms. Caplan:** How about the girls?

**Mr. Martel:** Those are Tuesdays and Thursdays. The Minister of Government Services (Ms. Caplan) could come down here—

Not the Toronto ministers and not the Toronto members, by the way. If one looks in the Legislature tonight and counts the number of Toronto members, or those who can go home, there are a handful. I venture to say, without even counting, six or eight. That was good. They could go home and we out-of-town members could come down. We were in town anyway, so we might as well be here filling the seats.

**Mr. Haggerty:** We were responsible for making the Legislature work.

**Mr. Martel:** Yes, we were crazy. They were at home with their families. The out-of-town members were down here doing the business of the province—is that not wonderful?—because we would get in trouble. Can you imagine?

Then there are Wednesdays. Those of us who are away from home much of the time as it is, someone such as myself, resent Wednesday with a passion. The only thing I hate more is Thursday nights. Society does not even know we are here. If most people knew we were here this late at night after coming in at nine this morning they would say we were crazy. As a matter of fact, I think they are right because anybody who had any brains in his head would not try to work from nine in the morning and be as effective and alert at 10 p.m.

**Mr. Treleaven:** That is an exaggeration.

**Mr. Martel:** I want to tell my friend who is now barking that it was the last minority government that got rid of the stupidity of sitting around here until two or three or four in the morning. The Tories did not want to change even that. They were forced by a minority government to end this stupidity of sitting here until two or three or four in the morning. They are from the Dark Ages.



I resent Wednesdays when the cabinet meets and I have to sit in Toronto away from my family. If I am not on a committee I just sit around here instead of being at home. Why do we not sit Wednesday and take Friday off and go back and work in our ridings? It would make sense for all of us.

There is a schedule in the book that I spent about three years developing that would have cabinet sit on Wednesdays and private members' day on Wednesdays; because cabinet members do not have to be here to have a meaningful private members' hour. But the Tories managed to kill it because the member for Mississauga East (Mr. Gregory) insisted on vetoing every item that ever came to this Legislature, except when a Tory moved it.

I cannot even wake up the member for Algoma-Manitoulin (Mr. Lane). He is smart; he is sleeping through all of this. The rest of the world does not know we are here and could not care less.

If we had cabinet and private members' hour on Wednesdays, we could spend Thursday doing legislation and we could go home Thursday evening in a sensible way and work in our offices and meet our constituents. If we are from out of town and stay here until Friday we are hung up on Saturday.

**Mr. Haggerty:** They could stay here.

**9:30 p.m.**

**Mr. Martel:** Some people may find it as comfortable here as they do at home. I do not.

We did a study in 1976 on the number of hours most members put in per week and it was interesting. The consultants who did the study said we put in roughly 65 to 70 hours per week per member.

Those of us from out of town could always go to our offices on Saturdays, could we not? Is that not wonderful? If a member is from Toronto he can meet his constituents on Monday morning, Friday afternoon or Wednesday night; but we, from out of town, have Saturdays and Sundays. Is that not wonderful?

We could not talk that boneheaded government into bringing us into the 20th century. No, it preferred it the other way and its back-benchers, as they were wont to do because they thought they might get to the cabinet, would never object. They would gripe down the hall and in a committee room, but they would never say to the government House leader of the day: "This is ridiculous. It is idiotic. It is fine for you fellows from Toronto. Even in cabinet, you have

Monday morning, Wednesday night, Monday evening or Friday afternoon."

Oh no; it did not matter. They could sit and we could sit here on Wednesdays. Is it not wonderful to have three committees sitting on Wednesday? When they were cancelled one could stand around to contemplate one's navel. It was those out-of-town members who then went home and worked all weekend.

I am not suggesting members from Toronto do not work on weekends, but they can meet their constituents from Monday to Friday much more easily than out-of-town members. Trying to talk common sense into them, my God, was like trying to run one's head through a cement wall. It was impossible.

**Mr. Treleaven:** Hey, we agree.

**Mr. Martel:** Oh, no, the members do not; I just heard their comments.

If these rule changes are brought about one thing they will do is give a meaningful role to private members. The place is dominated by cabinet, even in the government back benches. Outside of putting their hands up and down when they are told to do so what is their real involvement? I hear members say, "We have our say at caucus." That is wonderful. That is two hours a week. What do they do the rest of the week?

**Mr. Callahan:** Relax.

**Mr. Martel:** Relax? Why not a role for members? There is a lot of intelligence here. Why are we not putting it to use for the benefit of the people of Ontario, instead of hanging on to an outdated set of rules that we at least brought partially into some semblance of sense in 1976?

When I and my friend the member for Erie (Mr. Haggerty) came here everything was done in the House. There were no committees. That finally broke down one year when it took 13 months to do 12 months of business. They realized they were operating an antiquated system. We still are, because outside of the cabinet the private members—

**Mr. Haggerty:** We work many mornings.

**Mr. Martel:** Yes, too many mornings. There is no role. There is lots of intelligence on all sides of the House and we never put it to use. If one is in government one cannot take a suggestion from the opposition, and if one is in opposition one has to be critical. What is a member's positive contribution? The two hours during a caucus meeting, if they let him talk? Is that what we are all about?

It is ludicrous. We should be doing investigations. We should be going out there to find out what is going on in other jurisdictions so that if it is good we can put some of it to use in Ontario on behalf of the people of Ontario through an elaborate committee system. Quebec has a nice item in its system. Current expenditure can be looked at today. If a minister is spending something it does not wait.

We vote on the budget. If members can imagine, the money will be spent by the time we vote on the budget. That makes sense, does it not? Why go through the charade? What are we voting for in December when all the money has been spent, except the interim supply which carries the government from the end of December till the beginning of March?

Everything has been spent and one cannot question it. If the set of estimates has gone by and there is a new expenditure coming up one cannot even get a good look at it. One cannot bring a minister out and say: "Okay, now tell us how this money is being spent. We want to examine it carefully." Quebec is currently doing this.

Suppose we have a problem or think something is wrong monetarily. For example, we have looked at the estimates of the Ministry of Agriculture and Food this session. However, if this were a normal year we would be looking at the Ministry of Agriculture and Food estimates last, and it would be April or May.

For the rest of the year, outside of question period there is no opportunity to look at expenditures. It is crazy. It is meaningless. They just go on blithely spending money and we never have an opportunity to say: "Wait a minute. Hold on. That program is not very good. Let us have a look at how you are spending it." Everybody here should be accountable for the money spent, not just the cabinet.

If we adopt some of these rule changes we will have opportunities to have debates we cannot have now. Look at this debate or any other debate. Unless we go into committee of the whole House, one gets up, gives a little spiel and sits down. There is no second kick at the can and we cannot engage in any dialogue. Once one has given his little spiel he is out of the game. If we happen to go into committee of the whole one can get back in the game.

Look at an emergency debate. The minister sits there and everybody talks. At the end, the minister gets up and responds for 10 minutes and the ball game is over. We might as well not be here because there is no way to engage in any dialogue or debate that makes any sense. It is cut

and dried. As one member of the Conservative Party said to me tonight, it is decided in caucus on Tuesday and the rest is charades; it really is. Surely if this is the body that sets the policy the province is going to have to live with there has to be a better way.

I know the frustration cabinet ministers have when they sit and listen to 20 hours of estimates. In our system, that is the only time the opposition can get at a minister to talk to him. It is true that it is boring and monotonous, but it is the only opportunity and the only way. One can move an emergency debate once in a while but there is no vote on it. It is just a waste of time. It is not going to change anything. It is not going to do a thing.

The members have to understand that a lot of changes are being proposed. Nobody is going to be happy with them all. There will be some I will object to and there will be some my friend the member for Erie will object to. Every one of us will find one or two rules we are not going to like. We are not going to say, "Scrap it all because I do not like that one." We cannot do that. When rule changes are done properly there is give and take as one tries to improve the system to make it more responsive to the needs of society.

Society is getting more and more complex, and we think we can operate back in the good old days. When I came here the budget was \$2 billion. What is it now? Everybody is going to have to give a little. We are going to have to try it. People in all parties are going to say, "You cannot do that."

We brought in a rule called time allocation. We did not do it through the rules. One of the most offensive things I have found about this place is when the rules can be rewritten by numbers. That is how we got time allocation. It is not in our rule book. It has never been in our rule book. However, the Tories could impose their will by a simple vote in the House. They change the rules of the Legislature and that is wrong, that is dangerous, because then one can change any rule by majority. We have to have something that keeps this very balanced system going even when one does not get one's way.

**9:40 p.m.**

One of the reasons I never allowed us to ring bells when I was House leader is that I believe that government ultimately has the right to force things. When the Tories were on that side of the House they were great law-and-order men, but on this side of the House, my God, it is a different story.

I have watched them in Manitoba when they would not come in and vote on a bill. I do not care



whether one likes it or not. In a democracy the party that has the majority ultimately has the right to end a debate and get a vote. The Tories in Manitoba refused to allow the democratic process to work. They did the same in Ottawa. They refused to come in for 19 days.

Government ultimately has the right to rule. That is why I say closure but not time allocation, because they did not do it in a proper manner. They might want to get it in; I can understand why government wants it. It is nicer, it is easier and it is cleaner. Closure is there for a reason, namely, to let government rule. Government does not use it often because it gets a black eye from it, but it ultimately has the right to use it and should use it.

Time allocation becomes a little gimmick. It has been used in Ottawa three or four times at least during some of the bills on reform and the budget. We did not hear a word about it. It becomes very easy then to close off debate after three days. However, part of our process is that the public has to have an opportunity to respond, through its opposition, through writing letters to ministers; otherwise, the danger of becoming almost dictatorial is there when one has the numbers. It is a real danger in our democratic process the way it operates.

One cannot do things that way simply because one has enough numbers to change the rules and to come in and do it. They do it over and over again and it becomes commonplace. As I say, any rule changes should be by consensus.

I am urging the House to take a long look at that. If people do not understand what the committee is recommending, I would urge those who want to talk about what those rule changes are to take the time, because it is the way the House will operate, it will determine whether we are effective. In the final analysis, what we are really all about from our own perspective is trying to be effective on behalf of the people of this province.

There are too many dangers. Democracy is pretty frail. We have to strengthen it and we have to keep up with the times. As society becomes more complex and as budgets become more expensive, we have to have a better way to examine, to advance ideas and to make everyone in this House have a useful role.

It has been my observation after 18 years that unless one is in cabinet, a leader or a House leader, the role for the rest of the members becomes pretty scanty. To me that is a disaster because, as I say, there is a lot of intelligence that

then does not get into the process and into the system.

Although some of us will disagree on some of the rules that have been devised by the committee, I urge members to accept them, set up a committee, put them in place and try them for a year. If they do not work we will modify them and we will make them work to the advantage of everyone.

**Mr. Newman:** I rise to take part in this debate. It is a very important debate because of the ramifications it imposes on the parliamentary structure.

My first words are of commendation to the chairman of the committee, the member for Oshawa, who did an excellent job in the performance of his duties. He was also ably assisted. He was very impartial. He allowed everyone every opportunity to express his opinion concerning the topic under discussion. He was very fair and his services were greatly appreciated by me.

I would be remiss if I did not make mention of John Eichmanis, Smirle Forsyth, and other assistants whose names elude me, for the contributions they made to the development of the report.

I do not intend to talk on the whole report, but I will pick out nine aspects that are going to cause dramatic changes. By following the recommendations made by the committee, we may come upon a new and a brighter day in the not too distant future. I have been here for a substantial number of years. Those who have come in for the last several parliaments really do not know what it was like in the "good" old days. They may have been good at the time, but it was strictly a one-man operation here.

The first item I wish to bring to the attention of the Legislature concerns the election of the Speaker and how that would operate. If this recommendation were adopted by the House, future Speakers would be elected by a secret ballot by all members of the House. At present, although the House elects the Speaker in a formal sense, in fact the Speaker is chosen by the government.

As a consequence of this, the Speaker is not always perceived to be an impartial interpreter of the standing orders. If the Speaker were elected by all members they would have greater confidence that he would be impartial. This is a reform that would add to the independence and dignity of the Speaker as the representative of all members and would ensure the House was

master of its own affairs. At present it does not seem to be so.

The second item is the setting up of a parliamentary calendar. The recommendation proposes that the parliamentary year be divided into two sittings with fixed dates when the House would begin and recess. It is proposed that the spring term would begin on the first Monday in March and end on the fourth Thursday in June. The fall term would begin on the third Monday in September and end on the third Thursday in December.

The adoption of this recommendation would in large measure codify the existing practice and, therefore, would not of itself mark a major change in practice. The advantages of this recommendation are that it would create a more orderly flow of business in the House and members would be better able to plan both their legislative responsibilities and their private lives.

The third item deals with the parliamentary timetable. I have taken out nine recommendations, so at least some of us could familiarize ourselves with some of them if not necessarily all nine. There are more to come. The proposed recommendation would see the parliamentary week running from Monday to Thursday from 1 p.m. to 6 p.m., with no evening sittings and no Friday sittings. The 20 hours of actual sittings of the House would remain the same as they are now. The elimination of Friday morning sittings would permit all members to return to their constituencies to deal with their constituents' concerns.

#### **9:50 p.m.**

The present arrangement, whereby there are no House sittings on Wednesdays, favours members from Toronto over those who live some distance from the city. Moreover, with no evening sittings, the House time would be available for committees to do their work, whether hearing witnesses or finalizing their reports. This reform would permit the same amount of work to be done in the House, while allowing members to spend more time with their families and to look after their constituents.

The fourth item concerns members' statements in the House. This recommendation would permit all members to speak on any matter of concern to them prior to the start of the question period. Each member would have 90 seconds to speak and the time period for all speakers would be 10 minutes in total.

The reason the committee considered this recommendation was that it hoped in providing this opportunity to members there would be less

likelihood that members would raise their concerns during the question period as phoney points of order or points of privilege. At the same time, members would have the opportunity to raise publicly issues of concern to themselves or their constituents that they might not be able to raise at any other time.

The fifth item deals with changes in the question period. I know some of the comments are repetitive because the speakers before me had the opportunity to single out certain items. I am speaking on the first nine items.

The committee proposed that the Leader of the Opposition and the leader of the third party be limited in the number of supplementaries they can ask. Thus, the Leader of the Opposition would have two questions and two supplementaries and the leader of the New Democratic Party would have the same. There would be no crossover supplementaries.

The committee felt this reduction in supplementaries would free time for more back-bench members to ask questions. As it is now, leaders' questions can take up half the time of question period, leaving little time for back-benchers to ask questions. The committee felt question period should not be monopolized by opposition party leaders.

The sixth item is the division bells. Under the present standing orders, division bells for a recorded vote can ring for unlimited periods and can only be stopped when the three whips indicate the three caucuses are ready to vote. The only exception would be when the three whips indicate that because their members are absent they need a longer time to bring their members to the House.

In that case, the Speaker would permit the bells to ring for 24 hours to allow the absent members to travel to Queen's Park. This rule hopes to eliminate the ringing of bells indefinitely for political purposes, as was the case recently in Ontario, Ottawa and Manitoba. The 24-hour rule is meant to accommodate only one legitimate reason for the extension of the bells to more than 15 minutes, namely, the absence of members of the House.

The seventh item concerns changes to the Board of Internal Economy. The recommendation of the committee was that the composition of the board should change in order that there be more back-bench participation on the board. Thus, instead of three members of cabinet there would be only two ministers and the government caucus would be represented by two ordinary



members. The opposition parties would be represented by one representative each.

The committee also recommended that the meetings of the board be open to the public and the board's agenda be posted prior to the board's meetings. In making these proposals, the committee sought to make the board more accountable to all members of the House and to ensure that ordinary members had the opportunity of monitoring the discussions in the board.

The eighth recommendation has to do with changes in the committee system. The committee proposed that the present committee system be restructured to allow for a more efficient distribution of work among committees. Thus, estimates could no longer be referred to the present policy field committees but instead would be referred to a new committee, the standing committee on finance and economic affairs. This committee would select several estimates each year that would receive thorough and comprehensive review and analysis.

The estimates not reviewed by this committee would be deemed to have been concurred in by the House. All estimates would be reviewed over the period of the life of the parliament. As all members know, the present procedure for reviewing estimates has little to do with a review of actual dollars. Rather, discussions centre on policy matters and constituency concerns. The proposed procedure would ensure that estimates receive the full analysis they deserve.

The committee also proposed that legislation, rather than being sent to a policy field committee after second reading, would be reviewed by legislative committees specially created for each bill. These committees would exist only to deal with one bill and would be automatically terminated after the review of the bill. The idea behind this proposal is that such committees would be composed of those members who have a particular interest or expertise in the subject matter of the bill.

Policy field committees would therefore be left with the review of all statutory annual reports and with the conduct of any special studies.

The committee also recommended that the terms of reference of all standing committees be incorporated in the standing orders to ensure the continuity of committees and to enable members and the public to know each committee's terms of reference.

As well, the committee recommended that in the future the chairmanship of committees should be distributed in proportion to the representation of the parties in the House. The committee

believes this is both equitable and fair and would make chairmanships more sought after by all members.

The ninth recommendation comes under confidence convention. The committee believed it was time to recognize that the confidence convention has evolved over time and that many members would not be aware of how the convention is now interpreted.

It followed the House of Commons in pointing out what matters should be considered under the confidence convention. These matters would be the defeat of a motion for interim supply, the defeat of a supply bill and the defeat of a budget motion; explicitly worded motions of want of confidence in the government; the defeat of a vote on an item the government has declared in advance of the vote to be a matter of confidence; and the defeat of a motion that the government enjoys the confidence of the House.

#### 10 p.m.

In other words, not every vote in the House would be considered automatically a matter of confidence; in fact, most votes, including lost votes on clause-by-clause review of a bill or a lost vote on any piece of legislation, even tax bills, would not.

An acceptance by the House of this interpretation of the confidence convention would give more flexibility to members when a government comes to the House with legislation or any other matter. They would be permitted the option of voting on an individual basis.

The loss of a particular vote would not in all cases be a matter of confidence, prompting the government to resign. This would ensure greater stability for the government, particularly in minority government situations. Moreover, the threat of snap elections would decrease.

These are just nine of the recommendations of the committee's report. It has been brought to my attention that the matter of simultaneous translation is an extremely important item, as those who are a little more familiar with our second language would have an opportunity to receive that information in the language of their choice.

Those are my comments. I would inform the members that these are what I consider to be the nine most important items.

**Mr. Cureatz:** Might I say what a pleasure it is for me to participate in this debate this evening.

Before I continue, I want to say on a very personal and extremely serious note how very appreciative I have been during the past couple of weeks in regard to the tragic event that has happened in my family with my father's sudden

passing. I want to say how encouraged I have been by the support of all my colleagues from all sides of the House. I was especially appreciative of the attendance of our leader at the funeral and, more particularly, of a personal note from the leader of the third party, especially in the light of what took place in his family four or five months ago.

It is difficult to get up a head of steam and come back, but rest assured I am confident. As the member for York South (Mr. Rae) indicated to me, time heals, and within another few weeks, if not by the beginning of the spring session, we will be in good form again, talking about the ruts in Highway 401.

Continuing on to a more interesting discussion, and more particularly the debate that is before us this evening, I can tell that a lot of members are thinking, "How mundane, how tedious, how ridiculous to talk about the rules of this place." Let me tell the member for Cambridge (Mr. Barlow) how serious a debate this is, because it is going to affect our working days here in this assembly. In my evaluation, it is going to be on a positive note.

I am personally gratified by the work the committee has undertaken, with special thanks to the chairman, my colleague the member for Oshawa. I think of his more learned experience in following the rules of this House much longer than I have, a whole 18 months longer, with his election in 1975 and mine in 1977. The member for Oshawa has made it a particular point to set his focus on the rules of this assembly. At times it can be a little tedious, and I want to congratulate the member for Oshawa for being persistent. It has been a long, tortuous route, but we have finally come to a point at which something is taking place in regard to the rules of this chamber.

Just as an aside, I am pleased to say I have had the opportunity to sit in on the procedural affairs committee from time to time. In more recent times, just before the last provincial election, the committee, of which I was a member, went down to Boston to review the Legislature of the commonwealth of Massachusetts.

**Mr. Gregory:** Shame; terrible.

**Mr. Cureatz:** Listen, it is not that far. As a matter of fact, I think from Toronto to Boston is closer than from Toronto to Montreal; so it was not that much of a junket.

Interestingly enough, the Democrats in the state House of Representatives had begun their television coverage within the past two or three years and they invited the committee members to

participate, not in the debate on the floor of the House but on a trial basis to see what the cameras do and how we would appear on television. Guess who, fellow colleagues of this assembly, decided it would be a great idea to participate in such an event? It was the Progressive Conservative member for Durham East, showing a little progressivism with respect to what should take place.

The member for Mississauga East and I are going to have a lot of fun for the next three weeks. If the Leader of the Opposition (Mr. Grossman) does not change the honourable member's seating we are going to be at each other's throats before this is over. I am not finished with the member yet.

I was most interested in the comments of the member for Sudbury East with respect to the frustrations he has had over the many more years he has had in this assembly than I.

I can remember only too well attending a most sumptuous dinner in 1978, sponsored by the then Speaker of this assembly, Jack Stokes. Who remembers Jack? Hands up. How soon we forget. A couple remember Jack; terrific. Jack was a socialist, he was a great Speaker, but boy he knew how to throw a party.

We had a great evening with the Speaker in the Speaker's apartment. Who was in attendance? None other than the member for Sudbury East, my humble self as a newly elected member to these sacred chambers and the then government House leader, one Tom Wells.

After some libation of apple juice and getting into dinner, a most heated debate began between the member for Sudbury East and the then government House leader, Tom Wells, over some of the changes that should take place in this Legislature.

I listened. I smiled. I cowered a little. Here were these two great antagonistic foes battling back and forth over dinner, and I thought to myself: "The rules of the assembly? What do I know about the rules of the assembly? I won by a mere 122 votes."

It was more important for me to attend the business in the riding. That is something, as an aside, I say to remind all the back-benchers over on the Liberal side. The Premier is not going to be switching this cabinet around too quickly; so the members had better go back to focusing on their ridings. It is going to be an interesting election in 1987; I predict it will be in the fall.

Notwithstanding that, that was my approach. Little did I know that—heaven forbid, bite my tongue—what the member for Sudbury East



spoke of was pretty close to the truth. How did I find that out? It was that famous year, 1981–March 19. Right over there on the front bench we are all reminded of the realities of March 19. Shortly after that sacred date, it was decided and I accepted—I am sorry if I am keeping the member for Eglinton (Mr. McFadden) awake.

**An hon. member:** What about the realities of May 2?

**Mr. Cureatz:** We will not talk about the realities of May 2. That is another story.

As I was saying, it was decided that I should take on the interesting position of Deputy Speaker.

**Mr. J. M. Johnson:** That was a mistake.

**Mr. Cureatz:** Maybe so. The member for Wellington-Dufferin-Peel indicates it was a mistake. However, for three glorious years, between occupying the Speaker's chair and being Chairman of committees of the whole House, we had a heck of a time. It was very interesting, it was a lot of fun, but it was most frustrating.

**Mr. Sargent:** You were a mean one.

**Mr. Cureatz:** Eddie, I can think of a time sitting in this chair on a particular Thursday—

**Mr. Speaker:** The member for Grey-Bruce.

**Mr. Cureatz:** This is coming down to the procedural affairs committee's report, Mr. Speaker; do not worry, we are getting there.

10:10 p.m.

I can remember a particular Thursday question period when the then Speaker was up in Peterborough handing out cheques on behalf of the then Minister of Health—but that is another story we will not get into—when lo and behold, the week before Christmas, who shows up in the chamber in the middle of question period as the lights were blazing down on me, as they can only blaze in this place; I am glad they are a little softer now, but I want to tell the chairman of the standing committee on procedural affairs they are still a little too bright, Mike, and I do hope—

**Mr. Speaker:** The member for Oshawa.

**Mr. Cureatz:** I hope the member for Oshawa takes that into consideration.

In any event, who showed up in these chambers but none other than the member for Hamilton East (Mr. Mackenzie). Well, says Rene, "Big deal." The member for Hamilton East, let me tell the members, showed up in a Santa Claus outfit in the last week on the second to last day before the Christmas recess. Everybody was hot, champing at the bit and trying to make this place relevant during question period.

As Acting Speaker, I suddenly had to make a decision as to whether there was a point of privilege, a point of order or any kind of point that the member for Hamilton East should be ejected from this sacred chamber. We had a grand time and everybody was yelling and screaming right here in this room. Suddenly, in my learned wisdom, I had to make a decision as to what to do with the member for Hamilton East, whose name I think, but I am not sure, is Bob Mackenzie.

In any event, with great trepidation and with knees wobbling, I sat at that microphone, cleared my throat and said, "Colleagues of this assembly, how could I ever explain to my children that I kicked Santa Claus out of the parliament of Ontario?" That met with a great chuckle and round of applause and the day was saved.

However, the then Sergeant-at-Arms reminded me that unfortunately no member of parliament was allowed in parliament if—are the members ready for this? Why do they think a member of parliament cannot come into these chambers? Does any member have a clue? Does any member have an iota? Not even the esteemed president of the Progressive Conservative Party of Ontario has any idea.

**Mr. Callahan:** Shame, shame.

**Mr. Cureatz:** The reason is that one cannot come in here if one is wearing a hat. Under Erskine May's Parliamentary Practice, which I recommend to the barrister and solicitor, the member for Mississauga. It is a nice little book of about 1,500 pages—

**Mr. Callahan:** For where?

**Mr. Speaker:** The member for Brampton.

**Mr. Cureatz:** Brampton; that is even worse. Brampton; can the members imagine? That was the sacrosanct Progressive Conservative stronghold of Bill Davis, and now it has a Liberal. I cannot believe it, but I have to believe it.

In any event, under May's Parliamentary Practice, which is a book that weighs 13.95 kilograms, one is not allowed to wear a hat in these chambers.

I then had to stand up on the advice of the Sergeant-at-Arms and indicate to the member for Hamilton East—the members think it is tough dealing with one's spouse at home; they should tangle with the member for Hamilton East on a hot day in these chambers. I again approached the member for Hamilton East and indicated it was inappropriate for him to be wearing his Santa Claus hat in these chambers. Lo and behold, as if

for a Christmas gift, the member politely took the hat off and we carried on with question period.

Many members are asking, as is the member for Brant-Oxford-Norfolk (Mr. Nixon) and the member for Bellwoods (Mr. McClellan), what does this have to do with the debate at the moment?

**Mr. McClellan:** Nothing.

**Mr. Cureatz:** That is right. The answer is very simple. From that day on and from perusing the long hours as Deputy Speaker sitting in this chamber, it became increasingly obvious to me that something had to be done about the rules of this House. They were archaic.

What to do? As a humble Deputy Speaker, way down in the pecking order of the great Progressive Conservative Party of Ontario, goodness knows I tried to implement some—are the members ready for this? Are the Conservative members ready? For those Conservative members who are not here, I hope copies of the transcript are sent to all the members, including our Conservative colleagues. I know the president is going to take it upon himself to do that. I tried to institute, I say to the member for Mississauga North (Mr. Offer), a little fairness. Who has heard of the word? Fairness. Can the members believe it? Some fairness in these chambers?

If there was ever an end to a political career, it was trying to institute fairness in these chambers. I can remember sitting in that chair, and it turned around two points I am getting to, points of privilege and points of order. Members still do not know what points of privilege or points of order are and they do not care what they are. What they do care about is standing up in their places and trying to get a beef off their chests. More than likely they want to get it in Hansard, and, heaven forbid, some photostat copies of Hansard, and get it back to their presses back home to show how well they are working on behalf of their ridings.

I have no problem with that and I had no problem with it when I was Deputy Speaker. When it came to the fine point of calling a point of privilege or a point of order, what did I do? I could immediately cut off the member at the knees, and usually it was an opposition member, or I could shrug my shoulders and say: "What place of debate do they have other than this chamber? Where else can they go to complain?" This was the place where they had to be heard.

That is how I approached the job. Notwithstanding the problems of points of privilege and points of procedure, I quite often rolled with the

punches and allowed the then opposition members to carry on with their points. About a minute and a half later—and I underline that because it is very interesting in the report—I would stand up, clear my throat and another 30 seconds would go by. Then I would say to the member, "That is neither a point of privilege nor a point of order and, therefore, you have to sit down." Very kindly, the member would sit down and we would follow the game through to its conclusion.

Meanwhile, friends of the assembly, what was happening to my right? I will tell the members what was happening to my right. I was being badgered and harassed by the infamous front bench, and sometimes one or two people from the second bench, about letting the opposition members carry on for too long a time. They said: "We are the government and this is not allowed in here. We are running the show. You should tell that person to sit down." We had some interesting times in the back lobby when I left the chair. From time to time, certain people would indicate, in terms of my preference, they wondered whether I was a Conservative.

**Mr. Breauth:** Name names.

**Mr. Cureatz:** That is for another time and another place.

I stood fast, however, because in my estimation if I was going to go, I would rather go knowing I was being fair—at least I thought in terms of fairness—than kowtowing. After all, the position of Deputy Speaker was supposed to be, and I still strongly feel should be, unbiased. I felt I would rather stand up to that position and hold the position true than succumb to other people's concerns about my party allegiance.

I decided of my own accord that I would do my little bit to try to instigate some thought about redoing the rules of the assembly. What did I do? I did some research. All that research accumulated in something called the Canadian Parliamentary Review. Its editors very kindly published in the summer of 1983 an interesting article entitled *Some Thoughts on Parliamentary Debate in Ontario*.

That was not the right thing to do either, because I was just the lowly Deputy Speaker. Somehow I trod on other people's toes by going ahead and making some recommendations about what I thought should take place in the rules of the assembly. Some things just had to be done.

If the member for Sudbury East is listening somewhere in this hallowed building, I hope he realizes there were, as humble as we were, one, two, three or four Progressive Conservatives who were concerned about the debates and the



manner in which they were taking place in the assembly. The member for Sudbury East, as the member for Oshawa knows only too well, was not the House leader who objected to redoing the rules of this House.

**10:20 p.m.**

**Mr. McClellan:** Who was it?

**Mr. Cureatz:** It was someone I called the God Emperor. That name will be reserved for another time and another debate.

I wrote to all the parliaments in Canada and the territories. I wrote to the British House of Commons and the European Parliament. For a year and a half, I had a great time reviewing what we could do in this assembly with Linda Grayson, who was head of the research staff. I believe Smirle Forsyth had some help, and John Eichmanis was up top watching these proceedings. We put together some interesting points in regard to what should take place.

What did I recommend, in the short eight minutes I have? On page 26, under "Recommendations," we say, "When the rules no longer reflect the realities of the House, it is time to consider changing them." How dramatic, how progressive to change the rules.

"After some discussion with colleagues in all three political parties, the following general consensus emerged. Questions of procedure relating to privilege are technical, and anything that can be done to improve the understanding of problems of privilege is worth considering through the procedural affairs committee," the committee we are discussing this evening.

Further on, without boring all members, there are two points:

"A further improvement of the use of privilege might be made by distinguishing points of traditional privilege, meaning points of privilege so urgent as to require the immediate attention of the House, from (2) points of privilege which could be confined to a specific time slot for consideration by this House."

Lo and behold, we take a look at the synopsis of the report—

Interjection.

**Mr. Cureatz:** We are getting there. We look at the synopsis of the report, and what do I see? My heart thumped with joy. There, at the bottom of the first page, the first recommendation says: "The committee recommends that all questions of privilege be heard immediately following question period." I recommended before question period, but before or after, what difference does it make? "This would ensure a consistent

time each day when members will know the Speaker will hear points of privilege and would ensure an uninterrupted question period."

The second point, which I related back in 1983—talk about prescience—states: "The committee recommends the addition of members' statements to the routine proceedings as a 10-minute period during which members may raise points of concern to them and to their constituents. Such a provision is based on the practice of the House of Commons." Somewhere it goes on in here to say how long one would get. One would get a minute and a half.

How long did I sit in the chair and wait for the opposition members to get through their points of privilege and points of order, which were not either? A minute and a half. I am so pleased the committee has followed through on some of my thoughts in the Canadian Parliamentary Review.

I also want to mention in passing to the chairman of the committee on procedural affairs that there is something practical we should think about. That practical aspect is—

Interjection.

**Mr. Cureatz:** We have five minutes left in this debate. Hang in there, everybody. It will be most interesting.

We should get a binder, put the rules in the binder and tab the binder so it will be easy for new members. Look at all those fresh new Liberal cherub faces here in these hallowed chambers, not knowing what takes place under our procedures. If we put it down practically in a nice little book, I think it would do well for this assembly.

Somewhere in the basement of my home in a banana box I have a lot of the rules of procedure from the other parliaments across Canada, and members should see the nice job they do in places such as Prince Edward Island, New Brunswick and Manitoba. All the other provinces have something they would be proud of in terms of putting their rules in a good binder. This is something practical we should be thinking about.

**Mr. Breagh:** We will go and check that out.

**Mr. Cureatz:** All right.

Here is something good. Back to my recommendations. Are members ready for this?

"Many other aspects of our rules and procedures need to be re-evaluated." This is back in 1983.

**Mr. Sterling:** We have heard this.

**Mr. Cureatz:** No, the member has not heard this one; it is a new paragraph: "I might mention in particular the need for a parliamentary

calendar and the possibility of eliminating night sittings." If anything did me in, it was the night sittings. We should look at doing away with night sittings. Lo and behold, two and a half years later, in the committee's recommendations, I am exceedingly happy that we are doing away with night sittings.

**Mr. Sterling:** On a point of order, Mr. Speaker: I should let the member for Durham East know that when he extends his arms on both sides, the television screen is not wide enough to take in both arms. If he is going to gesture, he should do it with one arm.

**Mr. Cureatz:** That is neither a point of order nor a point of privilege. This is the very problem I have been relating to.

There are two other areas of concern to me. One is the breakout of the manner of procedure of question period where the leader of the official opposition gets a question and a supplementary question, etc. When it finally comes to private members' questions—it is so nice to see the Minister of Education (Mr. Conway); did he come in the limousine with the yellow lights, pull right up to the door and jump out?

I am a little concerned that there should be some recognition, not of the private members but of the party percentage of members here. I have in my mind that the manner in which this Legislature should run is that the Conservative private members get two questions, then the New Democratic Party, then the Liberal back bench, etc., in rotation. There should be some consideration of us, not only as private members but also as representing the party and the percentage that each party represents in these chambers.

Last but not least, in the waning minutes I have, as the clerks of the assembly gather around reviewing my thoughts and my contribution to the debate, going home tonight, making notes I am sure, and testing themselves tomorrow

morning over my thoughts, we should be giving some consideration to how revolutionary—is someone listening; the member for Oshawa or the member for Oxford? We should have the Speaker, the Chairman of the committees of the whole House—Minister of Education, this is important—the Deputy Chairman of the committees of the whole House and we should have another Deputy Chairman of the committees of the whole House. The Speaker should have three other individuals helping him. We have only two at the moment.

When I was Deputy Speaker, the government brought in wage restraint legislation. For those members who were here that went on for almost a solid year. I was Chairman of committees of the whole House. Do members think we got to section 87 of the bill? For one year we did not get past clause 1(a). I sat in that chair, along with my colleague the member for York Centre (Mr. Cousins), and it was tedious.

From time to time members from all sides would help, but it was tough slugging. I make the recommendation that there should be three people under the Speaker to give assistance, especially when we look at the committee's report and it shows we are going to be sitting for eight months. If we want to be running the chamber, doing our constituency work and working in the office, we do not have enough time.

Those are a few of the comments that concern me about this report. I am very pleased to have had the opportunity, and I am looking forward to some of the new, dramatic, interesting and useful changes that will be taking place.

On motion by Mr. Warner, the debate was adjourned.

The House adjourned at 10:30 p.m.



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No. 55

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**First Session, 33rd Parliament**  
Friday, November 29, 1985

Speaker: Honourable H. A. Edighoffer  
Clerk of the House: R. G. Lewis, QC



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# LEGISLATIVE ASSEMBLY OF ONTARIO

Friday, November 29, 1985

The House met at 10 a.m.

Prayers.

## PREMATURE DISCLOSURE OF COMMITTEE REPORT

**Mr. Speaker:** Yesterday the member for Lincoln (Mr. Andrewes) raised as a matter of privilege the release of a confidential committee document to the press. Such premature release has always been held to be a breach of the privileges of the members constituting a contempt of the House. The member for Lincoln is not in his seat, but I would entertain a motion to refer the matter to a standing committee, if that is the wish of the House.

**Mr. McClellan:** I would so move.

**Mr. Speaker:** The member for Bellwoods (Mr. McClellan) so moves. Is it the pleasure of the House that the motion carry?

Motion agreed to.

**Mr. Speaker:** Would the member for Bellwoods put that in writing to the table?

## STATEMENTS BY THE MINISTRY

### GOVERNMENT PROCUREMENT PROGRAM

**Hon. Ms. Caplan:** This government has made clear our intention to improve the way government has done business in the past by introducing measures for more efficient fiscal management and improved access for the business community. As Chairman of Management Board and Minister of Government Services, I have been exploring initiatives that will help us to achieve these goals. The purchase and management of goods and services acquired by the government each year is one key area that offers opportunities for economy through better co-ordination and the application of more efficient management practices.

Members of this House might be interested to know that Ontario ministries are spending more than \$800 million each year in the purchase of goods and services. In my five months as minister, I have been surprised by the large number of businessmen and women who find it difficult to deal with the Ontario government, mainly because of the absence of a central

supplier list and purchasing authority. Similarly, it is remarkable that much duplication of effort exists between individual ministries, thereby undermining the significant cost saving possible through co-ordinated buying efforts.

Further, a study completed in September 1984 estimated that acquisition and storage involve \$300 million in movable assets, that another \$200 million is tied up in inventories stored at 500 locations across the province, and that 900 civil servants are occupied in these activities. One of the major recommendations of this report indicated that a saving of an estimated \$50 million could be realized during the next four years through the introduction of more efficient methods.

To this end, I am pleased to announce that this government has established a specific procurement program to rectify this situation. Our immediate objective is to identify and implement improvements which will achieve results during fiscal year 1986-87, with more substantial results to follow over the next four years.

The short-term procurement project involves detailed efforts in four key areas representing major potentials for savings:

Development of a uniform management system for all operation of government vehicles to be applied by all ministries; provision of a system to obtain the best possible rates and discounts for travel services, based on the large volume of government business and conference travel; a study to reduce government inventories through the introduction of more effective management practices and the creation of a consolidated data base, and a study to establish a central suppliers' list for the Ministry of Government Services which will be available for use by all ministries.

The examinations of government vehicle management and travel are being led by Management Board secretariat staff supported by experienced people from other ministries.

The studies on inventories and suppliers' lists, led by the Ministry of Government Services, will be conducted by the private sector and leading management consultants were recently invited to submit proposals for this assignment. I am pleased to announce that Peat, Marwick and Partners was successful in the competition to

carry out these important reviews. I expect to receive its report by the end of March 1986.

In addition to this short-term program, I have asked staff to revise existing procurement policies and to initiate a series of pilot projects in selected ministries to improve procurement systems and controls over the longer term.

Ontario is already co-operating with the federal government in the preparation and exchange of comprehensive supplier lists. In our efforts to do business more efficiently and openly, we are prepared to co-operate with other provinces and jurisdictions to improve the purchase and management of goods and services.

**Hon. Mr. Sweeney:** It is my pleasure to table—

**Mr. Cousens:** I do not have a copy of the statement.

**Hon. Mr. Sweeney:** There should be one behind the paper clip. Okay?

**Mr. Cousens:** Sorry.

#### DISCLOSURE OF ADOPTION INFORMATION

**Hon. Mr. Sweeney:** It is my pleasure to table before the House today a thought-provoking and well-researched report on the disclosure of information surrounding adoptions.

Dr. Ralph Garber, a respected academic leader in the social work field and the dean of social work studies at the University of Toronto, has provided a set of recommendations which will promote an intelligent level of public debate. This, I am confident, will ultimately lead to legislative changes which will satisfy those interested in this controversial area.

Dr. Garber was asked to inquire into the disclosure of adoption information six months ago.

**Mr. Martel:** I know something about that. The minister and I had the odd fight over it.

**Mr. Speaker:** Order.

**Hon. Mr. Sweeney:** There are others who might be prepared to read this report.

At the time, provisions on adoption information contained in Bill 77, the Child and Family Services Act, were evoking strong reactions, and apparently still are, from some members of the public and this assembly who thought them too restrictive.

It is clear that Dr. Garber has not shirked his responsibility to be sensitive to that very fine balance between an individual's right to know and an individual's right to privacy. This is an emotional issue involving many thousands of

citizens of this province. We intend to move very carefully.

Copies of Dr. Garber's report are being sent to members of this House. In the days ahead, they will also be distributed to children's aid societies and other agencies and individuals involved in the area of adoption. My hope is that everyone with an interest in these questions will take the opportunity to read Dr. Garber's report and study his recommendations. I look forward to public discussion of all the relevant issues.

**10:10 a.m.**

I intend to listen carefully to the reaction to Dr. Garber's report and weigh the arguments from those on all sides of the issue. It is my intent to bring forward recommendations for legislative change in adoption information disclosure early in 1986.

#### SPILLS BILL

**Hon. Mr. Bradley:** Today, Ontario regulation 618/85 goes into effect, implementing the full provisions of part IX of the Environmental Protection Act, commonly called the spills bill.

I am pleased to inform members that the Environmental Compensation Corp. has now been appointed. It will accept applications from those who incur costs or suffer damage from accidental spills of hazardous substances from this day forth. This corporation will determine eligibility and establish the amount of compensation to be awarded from any claim. It also has full authority to take the necessary steps to recover these costs from the party or parties responsible for the spill and damage.

The chairman of the three-person panel is Marjory Loveys of Ottawa. A consultant specializing in project design and management on environmental, energy and employment matters, Ms. Loveys has extensive experience in government, industry and with public interest groups.

Member Geoffrey T. G. Scott, an Aurora resident, is a consultant in environmental engineering with considerable experience in environmental risk analysis for a full range of mining, industrial and transportation activities.

The final member, Professor Ted Manzig of Windsor, was chairman of the spills regulation advisory panel which conducted extensive public review of this regulation in its formative stages. He is a recognized authority on environmental law.

Thanks largely to the initiative of 24 insurance companies and the efforts of my special consultant, Allan O'Donnell, QC, the Pollution Liability Association has been established. This insur-



ance industry group will underwrite nonvehicular policies issued by Ontario insurers to a maximum of \$1 million for a single spill and \$2 million for all claims from any number of spills involving a policyholder. Claims beyond these limits which meet the requirements set out in the regulation will be handled by the new Environmental Compensation Corp.

The Pollution Liability Association is briefing other companies. Mr. O'Donnell has already conducted a series of seminars for insurance underwriters and brokers to explain the insurance coverage. Businesses, farmers and municipalities wishing coverage for sudden and accidental spills can now begin to make arrangements through their insurance brokers.

A 24-hour spills action centre is now being phased into operation within my ministry to ensure a prompt and effective spills response around the clock.

I know the spills legislation has engendered some fears as to its practical application. Since coming to office last summer, I have met with representatives of the Ontario Federation of Agriculture, the Canadian Manufacturers' Association, the Ontario Trucking Association, the Association of Municipalities of Ontario, regional governments, public interest environment groups and other interested parties.

In addition, the spills regulation advisory panel consulted with 53 individuals, corporations, municipalities, associations and citizens' groups. As a result of this extensive consultation process, more than 50 changes were made to the draft regulations, clarifying the intent of the legislation and streamlining its methods of operation.

I believe when the critics of the legislation experience the benefits it brings, they will realize many of their fears are unfounded. As to the general public and innocent victims of spills, today inaugurates a new era of prompt environmental justice in Ontario.

## ORAL QUESTIONS

### RENTAL ACCOMMODATION

**Mr. Gordon:** I have a question for the Minister of Housing. I have had an opportunity to review all the press releases put out by the minister for the last five months. Can he explain how appointing people to boards, handing out awards at ceremonies, launching new studies and opening seven granny flats across Ontario is even going to begin to answer the horrific need for housing in this province?

**Hon. Mr. Curling:** I am very grateful for the question by the member for Sudbury (Mr. Gordon). My press releases were not intended to promote supplies of affordable homes, as the member is saying. It is not our housing policy, if that is what he is asking.

**Mr. Gordon:** The vacancy rate in Toronto was 0.4 per cent in October. Since the member for Scarborough North (Mr. Curling) became the Minister of Housing five months ago, how many rental starts have there been in Toronto as a result of his government's policies? Which specific policies have produced housing units, and how many units?

**Hon. Mr. Curling:** I would like to refresh the honourable member's memory because, as he pointed out, I have been minister for five months and he is asking me how many housing starts I have initiated. I would like to ask him how many housing starts the people on that side brought about. In the last five years there was a reduction in starts. He cannot ask me to resolve in five months a problem that was created during the last 42 years.

**Mr. Gordon:** The minister made reference to the tenants of Ontario in this House on July 8, and I would like to quote very briefly, "If these people," the tenants of Ontario, "know they can have affordable homes, that itself will give access to these things."

That is not even smoke and mirrors. That is utter nonsense. Does the minister have even one real idea on how to solve this most desperate problem and, if so, will he share it with this House?

**Hon. Mr. Curling:** My short stay in this House actually permits an assessment of why the other parties are over there and we are over here. It is because we listen. Somehow, even with the questions—

**Mr. Andrewes:** It is easy to listen.

**Mr. Gordon:** Does the minister have any ideas? Tell us one idea, please.

**Hon. Mr. Curling:** I am trying to respond and they do not listen.

The member asks what we have done. A consultation process has been in place. I have spoken to tenants. The members over there have no idea, because they did not listen. I get the idea—

**Mr. Gordon:** He has no idea.

**Mr. Speaker:** Order.

**Hon. Mr. Curling:** Very happily they are learning because first we have to listen to find the

problems. The previous government did not listen and that is why we are in this terrible situation of the shortage of affordable homes today. I have spoken to the fair housing policy people, to developers—

Interjections.

**Mr. Speaker:** Order.

10:20 a.m.

### DEMOLITION CONTROL

**Mr. McFadden:** I have a question for the Minister of Housing. I am pleased that the minister says—

**Mr. Martel:** Here is another one for this great government.

**Mr. McFadden:** My friend wants to listen. I gather the minister is listening.

On October 21, I wrote to both the minister and his colleague the Minister of Municipal Affairs (Mr. Grandmaitre) concerning the threatened eviction of more than 100 tenants at 11, 15, 21 and 25 Sherwood Avenue as a result of major renovations planned by the new owner of the buildings. I have yet to receive a response to that letter, and it has been more than six weeks.

Unfortunately, in the past week, the tenants have received the threatened eviction notices. As a consequence, more than 100 people are going to be evicted from those apartments within the next three months, and two thirds to three quarters of those people are over the age of 65.

Will the minister take action to protect such affordable rental housing units, at least by the introduction of required legislation which would permit the city of Toronto and other municipalities in a similar situation to refuse the issuance—

**Mr. Speaker:** Order. The question has been asked.

**Mr. McFadden:** I have not finished the question. I have something very specific I wish to ask.

**Mr. Speaker:** No. The question has been asked and you are adding some further information.

**Mr. McFadden:** I am asking whether he would issue or provide the necessary—

**Mr. Speaker:** Order. I listened very carefully. The question was asked and further information was being placed. Minister, would you answer the question.

**Hon. Mr. Curling:** I gather the question is whether we are prepared to take action about losing affordable units to demolition. Yes, we are prepared. The Conservatives did not take

action when they were in power, and that is why we inherit the Axelrod situations and all that. We are prepared to look at all units that will be lost in any kind of demolition. I have been in consultation with my colleague the Minister of Municipal Affairs, and we will be looking at legislation in that respect.

**Mr. McFadden:** Close to 100 senior citizens could well be thrown out on the street within the next four months from those buildings alone. Will the Minister of Housing or the Minister of Municipal Affairs, on an urgent basis, bring legislation into this House to permit the city of Toronto and other municipalities at least to delay the issuing of demolition permits for a minimum period of three years?

**Hon. Mr. Curling:** It is rather surprising that the honourable member is asking us to take action now. When they were able to take action, they did not.

**Hon. Mr. Sweeney:** Metro asked the Conservative government dozens of times.

**Hon. Mr. Curling:** Many times.

As I said, we are prepared to look at all the cases and take action as soon as possible.

**Mr. McClellan:** Now that the principal barrier to conversion and demolition control legislation apparently has been lifted by virtue of the conversion of the Progressive Conservative Party, and the minister no longer has the excuse of opposition from these turkeys over here, when is he going to get serious about coming through on the promises of his leader to bring in legislation to prevent people from being thrown out of their homes as a result of conversion or demolition? Is he going to do it before Christmas, or are we going to have more noise and rhetoric from the Liberal Party?

**Hon. Mr. Curling:** This is a government of action and not a government of talk. Yes, we are prepared to look at that, and legislation will be introduced as soon as possible.

**Mr. McFadden:** In other words, the minister is saying is he has nothing planned and is just going to give us promises, and I have to tell those 100 senior citizens who could be thrown out of their building in the next two or three months that the minister is going to think about bringing in some action some time in the future.

Will the minister please tell the House when we might expect action to provide the necessary legislation to protect buildings of this type in Toronto and other municipalities across the province?



**Hon. Mr. Curling:** As usual, I do not think the member listened properly. He said I was just thinking about it. I told him that we have had meetings with the Metro people to discuss the demolition situation and that we are taking action on the matter, not thinking about it.

### OVERTIME WORKERS

**Mr. McClellan:** I have a question for the Minister of Labour on the subject of overtime. I have a letter from Keith Armstrong, administrator of the employment standards branch, to the president of Local 230 of the American Federation of Grain Millers. It is with respect to General Mills and reads as follows:

"It was found that during 1984, 117 of the approximately 170 employees worked hours in excess of the hours allowed by the permits issued by the director." That is, by the minister's employee. "The company has been advised that the present hours are in violation of the hours-of-work part of the Employment Standards Act."

Then he goes on to advise them that rather than the ministry's prosecuting, the company has been told to apply for a special permit to make the illegality legal.

Given the evidence that General Mills clearly violated the Employment Standards Act, and given that the offence section of the act provides for a fine of up to \$10,000 or imprisonment, can the minister explain to the House why, instead of prosecuting this violation, he offered to make the illegality legal by issuing a special permit?

**Hon. Mr. Wrye:** I want to tell my friend that is exactly the kind of situation that has occurred at General Mills. Frankly, it is one that we cannot undo.

**Mr. Martel:** The government can prosecute.

**Hon. Mr. Wrye:** Prosecution is fine, and I say to my friend it is something one can consider. The crux, the important aspect of the question, as I see it, is that about two thirds of the work force worked overtime, over and above the 100-hour permit. That is exactly the kind of issue this ministry is coming to grips with. Last Friday I heard the suggestions of the leader of the third party, his 40 hours-44 hours proposal. With respect, that may be a tad simplistic.

**Mr. Wildman:** A tad?

**Hon. Mr. Wrye:** Just a touch.

We on this side would like to take a comprehensive look at the problem. The activities of General Mills are exactly the activities we are prepared to deal with. On a short-term basis, I

am looking at being very tough with respect to the permit situation. I can only say to my friend that this is a new government and we will not be brooking that kind of blank-cheque writing of permits.

**Mr. McClellan:** The letter is dated July 31, 1985. I thought he was the minister then. Contrary to the minister's assertions, he is not getting tough with anybody. He is not prosecuting, and his permits have gone up by 20 per cent since he became Minister of Labour.

The minister says the situation is hugely inappropriate. Instead of studying the issue and expressing his whining concern, why does he not bring in a moratorium on the granting of overtime permits in 1986 until he has had an opportunity to come in with a comprehensive policy?

10:30 a.m.

**Hon. Mr. Wrye:** I say to my friend, that is an interesting suggestion. Obviously, we have to get a handle on the special permits in 1986. It may be inappropriate to go flat out with a moratorium, because we may create a situation—a legitimate situation—that will be very difficult for employers to work around, but at the same time, something obviously has to be done to put some very sharp controls on the overtime.

For example, I believe my office staff has set up a meeting with Stelco for early next week, as we are just concluding the analysis of the overtime situation at that facility. Employers who continue to think it is business as usual will find it will not be.

**Mr. Gordon:** We have listened in this House for some time to the minister's innocent protestations about what he is going to do about overtime. It seems to me he has issued a blank cheque of false expectations to the workers of Ontario. When is the minister going to come to terms with this whole issue of overtime and recognize that, with new technologies, there are going to have to be some changes? Is he prepared to legislate?

**Hon. Mr. Wrye:** I am going to get a handle on it a lot faster than the members opposite ever did. This government has been in office for some five months—

Interjections.

**Hon. Mr. Wrye:** The member for Sudbury asked a question and I will give him the answer. This government has been in office for some five months and in that period, for the first time in the 1980s, this ministry and this minister have begun to take a serious look and get some answers and data about the whole issue of overtime.

When the members opposite were over here, I can remember questions were asked and absolutely nothing happened. I can understand the concern of my friends, the members to the left of the member for Sudbury, and their desire to get on with it. I simply need a little more time. If the honourable member and the industry do not think there is going to be action, then just watch.

**Mr. Martel:** Inco has announced further layoffs as of this morning, a five-week shutdown and a five-week vacation period. Since the minister told us last week that Inco worked 100,000 hours in excess of the 48-hour week, I ask him two things.

Will the minister provide us with the number of hours involved from 40 hours to 48 hours that Inco had its employees work? Since British Columbia, Manitoba, Saskatchewan and the Yukon all have a 40-hour week, can the minister tell me when he is prepared to bring in a 40-hour week legally in Ontario and do away with all this nonsense of some people working and others starving?

**Hon. Mr. Wrye:** The honourable member asks a very important question. I want to give him the numbers I have now. I do not have the 48-hour number, and I think it is an important one. I would like to try to get it. That is exactly the kind of number I am trying to get hold of. How many of those 9,000 to 10,000 workers were consistently, every week, week in and week out, working 48 hours?

I will share this with the House. We know that over and above the 48 hours, as of the end of August at Inco alone, it was 48,849 hours between January 1 and August 31. Falconbridge adds almost 20,000 hours more. Adding Falconbridge and considering that is two thirds of a year, which is where I got the 100,000 figure, that is an enormous amount of time and a matter of real concern.

I just had a meeting with Mr. Aitken of Inco, in which we reviewed this latest announcement and I raised the issue of Inco's overtime. I assured him we are not aiming just at Inco and Falconbridge. I think the member understands that. This has to be a province-wide policy we will be putting together. I asked for his co-operation, given the difficulties we have with Inco and the proposed shutdowns for next year, in trying to move in a voluntary fashion as the government formulates its policy to limit overtime to a much more reasonable level.

#### INSURANCE RATES

**Mr. Swart:** My question is for the Minister of Consumer and Commercial Relations. As the

minister knows, casualty, property and liability insurance coverage is in a shambles in this province. He will know well enough that in many instances insurance companies are refusing to provide coverage for buses, trucks and taxis in municipalities and for licensed establishments. If they do so, it is at rates from two to 10 times the rates the insured were paying last year. Regular auto insurance premiums in this province will go up by at least 30 per cent during the two-year period of 1985 and 1986.

Given this situation, does the minister not agree that the insurance industry in this province is flouting and ignoring the needs of the public? When is he going to do at least the minimum and set up an insurance bureau within his ministry that requires accountability to the government for meeting the insurance requirements of the public at reasonable rates?

**Hon. Mr. Kwinter:** I thank the honourable member for his question. Members of the House will know that the availability and affordability of insurance is a very major concern of the insurance industry. It is also a major concern of mine. I met yesterday with my counterpart in Ottawa, the Minister of State for Finance. We are very concerned about what is happening. As the member probably knows, there is a major crisis in the trucking industry, which we expect to have resolved today.

The industry is going to solve its own problem, but I do have a standby facility association available, and I have arranged with it to provide availability of insurance. That will look after the problem in the short term. In the long term we are setting up a task force to look at the situation so we can resolve it for Ontario. This is an international and a national problem; it is not peculiar to Ontario. It has to be solved in that global context.

**Mr. Swart:** The minister defends the insurance companies and says they are in a difficult position. Is he aware that in the first half of this year, casualty and property insurers made \$207 million in net income? Does he not think their current actions in refusing to provide the insurance or massively increasing rates is overreacting? They are using certain high awards to protect their flanks and escalate their profits without the slightest concern for the public.

As a new minister, why does he not go the whole way and establish a public system such as Manitoba has? There the rates went down by two per cent last year, and they do not refuse to provide insurance.



**Mr. Speaker:** Order. Three questions have already been asked.

**Hon. Mr. Kwinter:** The facts that were brought forward by the member about the profitability of the insurance companies are not borne out by their results.

The problem the insurance industry has is that in the past, insurance companies have been making their money by investing premiums, chasing the premium dollar in a competitive way and undercutting the market. Because of the decline in interest rates, they are no longer making those profits and now have to look to the premiums to match up with their awards under their liabilities. This is a serious problem that is not peculiar to Ontario. We are addressing the problem on a national and global basis.

**Mr. Barlow:** The minister's colleague the Minister of the Environment (Mr. Bradley) has proclaimed, as of today, part IX of the spills bill. We are told insurance has been addressed and there is now insurance protection, but we cannot find out from that minister any premiums or even any suggested premiums.

From the minister's discussions with the insurance industry, has he any idea whatsoever what premiums are going to be charged to all industries so they know whether they are going to be able to afford to stay in business as a result of insurance under the environmental spills bill?

**Hon. Mr. Kwinter:** I emphasize that the elements of the spills bill do not in any way relate to the problems we were discussing earlier. To address the honourable member's question, the total pool for the spills bill has been subscribed to. We are now guaranteed that we have coverage. The rates will be determined by the industry.

10:40 a.m.

**Mr. Swart:** I am simply amazed that the minister is not making a single proposal for a change in the system with the crisis that exists. He must realize the increase in insurance rates this year and next will cost the public, the municipalities and businesses in Ontario between \$1 billion and \$1.5 billion annually.

Does he not realize the damage this will do to the economy of the province when that increase finds its way into prices and services? Will the minister at least establish a public inquiry into the conduct of the insurers and the whole insurance crisis so that the needs of the public can be met?

**Hon. Mr. Kwinter:** I will assure the member that we are looking into the total problem with the

insurance industry. We will deal with it with responsibility and sensitivity.

### YOUNG OFFENDERS ACT

**Mr. Sheppard:** My question is to the Minister of Community and Social Services. The Young Offenders Act has caused a number of serious problems with the whole system of dealing with juveniles. In my own riding of Northumberland, we have a situation at the Brookside training school in Cobourg that needs immediate attention.

Brookside employs 108 people and there are only 27 residents. That is a ridiculous waste of staff and money. I understand that a week ago today, four more boys were sent there. That is well below capacity. Why is the government spending money to keep the facility open if it is not being utilized more?

**Hon. Mr. Sweeney:** One of the difficulties with the Young Offenders Act is not knowing how the courts are going to rule on cases that come before them. There was a short period when the judges were sending more young people to secure custody than they had before. We are going through a period now when they are sending fewer.

The member's reference to Brookside is correct. We are now looking at the possibility of using that facility for another purpose. We have difficulty knowing whether the present trend will continue, but it could very well be that the 27 now could be 55 within two or three weeks. If we see some evidence over the next month or so that the trend is going to continue, that facility will be used for another purpose.

**Mr. Sheppard:** I would like to know what other use the minister has in mind for it. I have been receiving phone calls wanting to know what the government is going to do with it. It is an awful waste at the present time.

**Hon. Mr. Sweeney:** I can assure the member that it will be used as a facility. We are not talking about closing it down. We have not made a decision yet. I would be quite happy to let the member know in advance of any public statement what the use will be. It is in his riding and I understand his concern.

### INSURANCE RATES

**Mr. Philip:** I have a new question as a follow-up to the rather vague statement by the Minister of Consumer and Commercial Relations on liability insurance. As recently as this morning, Mr. Raymond Cope, the executive vice-president and general manager of the

Ontario Trucking Association, informed us that although Fruehauf Canada Inc. has purchased United Canada Insurance Co., there is no proof or certification that there will be full insurance service here in Canada as a result.

An investigation by the Ontario Trucking Association has found that at present there are only two companies that will sell liability insurance and only on a selective basis to best risks, and their rates are two to five times higher.

What specific action is the minister prepared to take before these trucking companies go bankrupt or out of business as a result of not being able to obtain liability insurance in this province?

**Hon. Mr. Kwinter:** The problem facing the trucking industry is that there are three companies that insure it. Two of them are doing it without problems. The biggest one is a company called United Canada, which is owned by a company called Carriers in the United States. Carriers Insurance Co. in Des Moines, Iowa, has gone into receivership and the federal superintendent of insurance has put United Canada under watch. That is the concern the trucking industry has.

Because of that concern, I have arranged with the Facility Association to provide coverage for every trucker who requires it. The rates may be a little higher, but coverage will at least be available in the short term.

In my meeting yesterday with the Minister of State for Finance in Ottawa, we discussed the problem and we are satisfied there will be a deal made with United Canada Insurance Co. If that deal is made with Fruehauf Canada Inc. or whoever else is there, then the trucking industry will be covered.

**Mr. Wildman:** I have a supplementary to the minister with regard to liability-insurance availability in the province. Is he not aware this is a wider problem than just the crisis in the trucking industry? Is he aware that many tavern owners and licensed outlets across this province are unable to obtain liability insurance? Those who are able to obtain liability insurance have to pay exorbitant rates. Can he at least agree to set up an inquiry to find out how many taverns in this province are operating without any liability insurance?

**Hon. Mr. Kwinter:** As I said earlier, we are looking at the total problem facing the insurance industry in Ontario.

**Mr. Swart:** The minister does not have to look at it; he has to do something.

**Hon. Mr. Kwinter:** Before we do something, we have to identify the problems and see what alternatives there are. We are doing that.

**Mr. Gregory:** In view of the rhetoric coming from the left-hand side of this chamber, I gather the suggestion has been made that we look at compulsory nationalization of the insurance industry. That seems to be the suggestion. I sympathize with the minister on the magnitude of the problem he has, and with the insurance industry.

Can the minister assure me that under no circumstances will that government consider subsidizing rates out of the taxpayers' pockets?

**Hon. Mr. Kwinter:** I can assure the member we are not looking at that proposal now.

#### ST. CLAIR RIVER

**Mr. Bossy:** I would like to direct my question to the Minister of the Environment. It was brought to my attention yesterday morning that the cleanup in the St. Clair River has stopped and I would like to know the reasons. This is very important. I understand the divers have suffered some sort of rash.

Could the minister possibly clear up—not the rash, but if he can, that is fine with me. Is this rash directly related to the spill in the river? Does he have more information as to their health problems?

**Mr. Jackson:** I am getting a rash listening to this question.

**Hon. Mr. Bradley:** Despite the apparent lack of concern of the member opposite who is interjecting and beginning his campaign for 1988 and the leadership—

**Mr. Jackson:** In 1986.

**Hon. Mr. Bradley:** In 1986, he informs me.

It is my understanding that the operation has resumed. The problem, which resulted not directly from the substances there but from the fit of the mask and so on, has been resolved. Members of the House would be aware that this must be undertaken under the auspices of the Occupational Health and Safety Act. The Minister of Labour (Mr. Wrye) wants to ensure that all those involved in the cleanup are involved in a safe manner that is not causing any problems to their health.

**Mr. Turner:** Is the minister aware that was public knowledge? It was on the news this morning.

10:50 a.m.

**Hon. Mr. Bradley:** I know that, but some of the members may not have had the opportunity to listen to the public news, and as a result it is appropriate that this information be relayed to the member.



I know that as the Health critic and as a person deeply concerned about occupational health and safety, he would want to be aware of the very latest status report on what is happening in the St. Clair River and would want to ensure the safety of all those who are participating in this. I thank him for drawing his supplementary question to my attention.

### MULTICULTURAL POLICY

**Mr. Leluk:** My question is to the second Minister of Citizenship and Culture. It says in today's Toronto Star that, according to a recent poll, for new immigrants to Canada "economic conditions will not improve drastically in their lifetime."

Will the Liberal government carry through with its election promise to provide annual core funding for immigrants and cultural minorities above the multicultural service program grants now in place?

**Hon. Mr. Ruprecht:** As the honourable member will realize—

**Mr. McClellan:** Redirect it to the Minister of Citizenship and Culture (Ms. Munro).

**Mr. Speaker:** Order.

**Mr. McClellan:** He should redirect it. It is her ministry.

**Hon. Mr. Ruprecht:** I thank the member very much. I appreciate the comment.

At present we are speaking with many of the ethnic cultural organizations and groups throughout Ontario to determine very specifically what the needs of the people of Ontario are, especially those who belong to organizations that have to do with immigrants. When the meetings are completed, I will be more than happy to inform the member of the specifics. When the report is complete, I hope we will come out with the requests and specific information that the immigrants and those in need of service programs have made to this government.

**Mr. Leluk:** Since I did not get a reply to my first question, will the minister assure this House the present operating funds for these multicultural service groups remain in place? Does he have any plans to increase funding in this area?

**Hon. Mr. Ruprecht:** I think it would be fair if I turned that specific question over to the Minister of Citizenship and Culture.

Interjections.

**Mr. Speaker:** Order. The question has been redirected. Maybe we could listen for the answer.

**Hon. Ms. Munro:** The ministry now has three programs that do try to respond to the needs of newcomers, immigrants and also the more established ethnic and multicultural groups in this province. As the member knows, the multiservice program grants are only one of those areas. We also allocate significant moneys under the newcomer language-orientation classes and under our newcomer integration grants program. Newcomers and immigrants also have access to programs on the cultural side.

I assure the member that the specific needs of all citizens who choose to settle in this province are being looked after. If he has any additional questions, I will be glad to answer them.

**Mr. Grande:** Let me say to the real Minister of Citizenship and Culture—

**Mr. Speaker:** By way of a question, of course.

**Mr. Grande:** Of course it is a question. Is the minister aware that since 1975 the community agencies directing services to the immigrants in our province have been asking the Conservative Party, the previous government, to establish core funding for their services and that nothing has come about as a result? Would the minister take a look at that and ensure these agencies do have core funding with which to deliver services to our population?

**Hon. Ms. Munro:** I will take that recommendation under advisement. I can also assure the member that in taking a look at the unique needs of immigrants—and I think the members of the first opposition party have raised the question of whether we are able to respond to the needs of immigrant women—we have clearly increased funding over the two years since 1983-84, totalling almost 13.8 per cent this year over last year. The member's comment is a good one and I will get back to him on that aspect.

### NUCLEAR RESEARCH

**Mr. Charlton:** I have a question for the Minister of Education. The minister is aware of the difficulties at the Chalk River nuclear laboratories that result from federal funding cuts; I understand there are considerably more to come. He is probably aware that the member for Hamilton East (Mr. Mackenzie) and myself spent some time in Chalk River, Deep River and Pembroke last Friday, meeting with the groups involved at the labs. We understand the minister also met with them and made some commitment to raise the issue here, presumably to look at ways of resolving some of the problems.

Can the minister tell the House what his intentions are with regard to trying to find resolutions to the funding problems at the CRNL to avoid major layoffs in communities that can ill afford them?

**Hon. Mr. Conway:** I want to thank my friend the member for Hamilton Mountain (Mr. Charlton) for providing me with the opportunity to indicate that I was aware he and his colleague the member for Hamilton East last Friday travelled to my constituency, where their presence was greatly appreciated. Their comments were very helpful.

I can tell the honourable member there is real concern on my part and on the part of the government, particularly on the part of the Minister of Energy (Mr. Kerrio), about the fact that the federal government has cut so very deeply into Atomic Energy of Canada Ltd. We are doing everything we can to secure a meeting with the Minister of Energy, Mines and Resources, who until now has not been prepared to meet to discuss the matter.

The community group in Deep River has made specific representations to me on a number of fronts with respect to how the Ministry of Colleges and Universities, the Ministry of Skills Development and the Ministry of Education might address some of the likely fallout. We are looking carefully at those proposals. I will be meeting with some of those people tomorrow evening in Deep River.

Until we know more precisely the intentions of the federal government, it is rather difficult for the provincial government to address the situation, but we are considering all our options.

**Mr. Mackenzie:** The minister is well aware of the potential of that facility with regard to the medical research already going on, the research into nuclear waste disposal as well as regular waste disposal and the tracing experiments that are going on, which would be invaluable given some of the problems in Ontario.

Does the minister not agree it would be a tragedy to lose the expertise and research capability of that operation? Is he prepared to arrange to amend the agreement with the federal government over control of that installation if necessary, and to look for additional or alternative funding from Ontario or other provincial agencies?

**Hon. Mr. Conway:** I agree with the member when he draws attention to the world-class character of the facility at Chalk River. It would be a real tragedy to see what I fear may already be

under way there as a result of uncertainty and the magnitude of the intended federal cuts.

I repeat to the member and all the people who live in my constituency that this government will do everything possible to ensure the federal government re-examines what it intends in the policy announced by the federal Minister of Finance in his budget of May 23. For our part, we will take every action we can to accommodate whatever creative and alternative proposals might be generated to ensure the excellent research capacity at Chalk River is sustained, not just in the area of waste management but in a whole host of other areas as well.

I very much appreciate the involvement, commitment and support of the two honourable members in this connection.

**11 a.m.**

#### WINE INDUSTRY

**Mr. Andrewes:** I have a question to the Minister of Consumer and Commercial Relations.

The minister knows of the declining market share for Ontario wines. I know he knows about it because he acknowledged the situation in a television interview I saw the other day. He will know the pressures the Ontario industry is under as a result of heavily subsidized European imports that are being sold on the Ontario market. What measures is he proposing to assist the Ontario grape and wine industry to recapture its traditional market of about 50 per cent?

**Hon. Mr. Kwinter:** The whole area of wine marketing in Ontario is currently under investigation. I am sure the honourable member knows we are under intense pressure from both the United States and the European Community to do something about what they perceive to be discriminatory pricing. Because we are in the middle of those negotiations, I cannot say what is going to happen other than that we are very mindful of the problem facing the Ontario wine industry. In our negotiations we will do all we can to protect its interest and to see that it continues to maintain its traditional market share.

**Mr. Partington:** Will the minister implement the Niagara accord to assist the grape and wine industry in Ontario?

**Hon. Mr. Kwinter:** That is one of the elements of the negotiations, and we will deal with the thing on an overall basis. If it means implementing the Niagara accord as it is or modifying it, that will take place in the negotiations.



## ANNUAL REPORT, PROVINCIAL AUDITOR

**Mr. Foulds:** I have a question for the Chairman of Management Board of Cabinet.

Has the minister fully briefed herself on the Provincial Auditor's report, which has questioned the accountability of the Board of Industrial Leadership and Development in particular? It says: "BILD did not request, nor did it receive from ministries any information about the economy, efficiency or effectiveness of programs or projects funded," "...performance of these programs was not subject to formal appraisal" and "There have been no reports issued on the activities or achievements of BILD since February 1983...."

Will the minister undertake to give the Legislature and the public of Ontario a full and final report on BILD activity, indicating (1) the total number of jobs created, (2) the cost per job of that job creation and (3) the amount of taxpayers' money that may have been spent on dubious or inefficient projects over the entire life of the BILD program?

**Hon. Ms. Caplan:** The answer to the honourable member's question is yes, I have asked for a response to the Provincial Auditor's report. As the member knows, the Ministry of Treasury and Economics, along with Management Board, had carriage for BILD. I will be happy to look at the contents of the member's question and see what details I can get for him. I am very concerned about the whole issue of accountability for government programs.

**Mr. Foulds:** In view of the minister's answer, I wonder whether she is aware that the Deputy Treasurer had replied to the auditor, saying: "BILD was a cabinet committee with authority over a substantial discretionary fund. Much of the information which normally would have been reviewed in the course of an audit was contained either in submissions to cabinet or in minutes of cabinet and, as a matter of policy, this material is deemed to be confidential."

Taking into account Mr. Justice Jerome's recent decision with regard to access at the federal level in which he makes three points—

**Mr. Speaker:** Are you saying, "I would like to ask a question"?

**Mr. Foulds:** I wonder whether the minister will take into account Mr. Justice Jerome's recent decision at the federal level in which he makes the points that a subsequent cabinet may legally open documents of a previous government and that cabinet documents must be made

accessible when the public interest of funding is at stake, and in which he says, "The scrutiny and accountability of government in the spending of public funds represents a greater public interest than the imminence of weakening the doctrine of cabinet confidentiality."

Will the minister make the cabinet minutes and cabinet documents around BILD available to the House and to the auditor?

**Hon. Ms. Caplan:** The difficulty in answering that question is that, as the member is aware, there is accommodation when governments change. Certain documents concerning past practices are not available to this new government. Anything that is available to this government I will be happy to explore to see if we can answer the member's question.

## MASTERS GAMES

**Mr. Baetz:** My question is directed to the Minister of Tourism and Recreation. It has to do with the Masters Games that were held here in Toronto this past summer, a concept and an event that our government supported and that was subsequently supported by the present government.

In view of the shocking report by Peat Marwick on the disastrous financial affairs of the Masters Games Foundation that has left a lot of small businesses in this town holding the bag, as it were, what has the minister done or what plans does he have to ascertain whether public funds contributed to this foundation were appropriately used for the benefit of the athletes and the games themselves and not inappropriately directed to the organizers of the games?

**Hon. Mr. Eakins:** The decision to assist the Masters Games originated with the previous government and was supported by this government because we believe in Sport for Life. I believe the contribution was in the neighbourhood of \$207,000 to assist the Masters Games in this regard.

The problems associated with the Masters Games are in the hands of the interim receiver. We hope we will have a report shortly on the effects for those who are creditors. At present, I cannot say what the amount will be. I believe it is going to be considerable, and I do not believe I should be in a position to determine who the preferred creditors should be in this regard.

**Mr. Baetz:** In the event that further examination should reveal that fraud was involved, what further steps is the minister prepared to take?

**Hon. Mr. Eakins:** The originators of the games indicated in the first place that they did not

need government support. I noticed on the press release from the people involved with the Masters Games that none of the government agencies or the governments themselves is listed as being the official sponsors of the games, so we have nothing to do with being official sponsors.

The organizers had stated it was to be a no-frills, low-budget event with no involvement of countries; it was simply for athletes. The contribution of the federal and provincial governments in August was simply to realize the successful completion of those games for the athletes.

#### MINIMUM WAGE

**Mr. Warner:** I have a question for the Minister of Labour. There is an underlying assumption that the minister does not support the exploitation of young people, so I ask him very specifically whether he will conduct an audit of a group called School by the Water, at Harbourfront in Toronto, to determine whether it is true that many of the young people hired by the school, which was receiving public money in part, were paid less than \$2 per hour and in some cases worked an entire week with no salary at all.

If he finds in the audit that my accusation is accurate—

**Mr. Speaker:** Perhaps you could find out whether the minister will review it, and then you can ask a supplementary.

11:10 a.m.

**Hon. Mr. Wrye:** I think my friend knows I would be more than pleased. I will take the question as notice, and we will begin looking into it within the next short while.

**Mr. Warner:** Mr. Speaker, I was trying to conserve time.

If the minister finds in the audit that the school was able to get away with paying less than minimum wage to students because there is a loophole in the Employment Standards Act, will he make a promise to amend the Employment Standards Act so that neither this school nor any other employer can systematically rip off young people?

**Hon. Mr. Wrye:** I would appreciate it if my friend would, as a first instance—maybe right after question period—share a couple of specifics with me. I cannot make an absolute commitment.

For example, we are looking at fairly major reforms to the Employment Standards Act and we will be looking carefully at all aspects. If this example indicates the company is able to do something legally because of a problem in the act

that this government feels is inappropriate, we will deal with it.

#### TOURISM BUDGET

**Mr. Rowe:** My question is to the Minister of Tourism and Recreation. Will the minister agree that the tourism industry in Ontario is the largest provincial employer of women, youth, semi-unskilled and seasonal workers, and that during 1984 it generated almost \$2 billion in valuable foreign exchange earnings and collected in excess of \$1 billion in sales tax for the Treasury?

**Hon. Mr. Eakins:** The tourism industry is one of the largest industries in this province. It is one of the greatest generators of jobs and income. In fact, it provided almost \$1 billion in direct taxes to the province for use in other fields.

**Mr. Rowe:** Since the minister agrees, can he tell this House why his government reduced the revenue-producing tourism marketing program budget by \$250,000 and cancelled the \$2-million funding commitment to tourism marketing by the Board of Industrial Leadership and Development?

**Hon. Mr. Eakins:** It is very clear, and it has been stated by my colleague the Chairman of Management Board (Ms. Caplan), that there will be no reduction in that advertising which produces revenue for the province, and that is tourism advertising.

If the honourable wants to know the effect of his government's commitment to tourism, he should look back over the past two years and see the number of programs that were cancelled. We are committed to the tourism industry. There will be no reduction in advertising as it affects tourism in this province.

#### EMPLOYEE HEALTH AND SAFETY

**Mr. Martel:** I have a question for the Minister of Labour regarding Duracell Inc. in Clarkson. They make different types of batteries; I am sure my friend is aware of that. Some of the substances used are mercury, zinc chloride and lead.

Can the minister tell me what procedures are in place to protect workers in this plant, who suffer from constant pinkeye, serious pneumonia and bronchitis, possibly as a result of the poor ventilation system that is in the plant?

**Hon. Mr. Wrye:** I guess we have enough time that the honourable member will be able to get his supplementary in.

Obviously, I do not think I will be surprising the member when I say no, I am not aware of the systems that are in place in that plant. However, I



would think he would want me to add that yes, I will be by Monday.

**Mr. Martel:** With the Speaker's indulgence, I hope I can get this last mouthful in. Can the minister verify that the employees at this plant are required to have a regular urinalysis, and when it is discovered that the results of their urine tests are abnormally high, the employer moves them over and then dismisses them?

Can the minister further indicate whether an anonymous call that was made to one of the people in his office back in August led to an inspection, since the worker waited some six weeks to discover whether that would occur and no probe was made as a result of that anonymous call to his ministry?

**Hon. Mr. Wrye:** There are a number of questions there. I am not aware there was an anonymous call, but I am glad it was not to my office; I gather it was to the occupational health and safety division. I am not sure exactly what the member is getting at. I gather he is suggesting there was a delay in the investigation.

The member and I had the opportunity to sit in for a while—a very short while, as it turned out—in a very long meeting on Wednesday morning in which I felt one of the important issues raised, and I think the member is alluding to it, was what happens with anonymous calls.

Out of the specific instance we were discussing on Wednesday emerged an important issue of the treatment of anonymous calls and the questions that are raised. We are taking a very close look. I am not satisfied, for example, that we are treating anonymous calls as seriously as we might. There seems to be a suggestion that since a call is anonymous, it may be less important than a specific complaint. Indeed, it may be more important; it may signal a very serious problem and workers who are unwilling or unable to come forward in a public way. As such, such calls almost always need more serious treatment. We will be taking a close look at that, and I will get back to the member on the specific question he asked.

**Mr. Speaker:** The time for oral questions has expired.

#### NUMBER OF QUESTIONS

**Mr. Speaker:** I would like to inform the members that they almost made it to a record today. On one previous occasion since June 4 we had 11 members' questions other than the four leaders' questions. Today we reached the same number. I was hoping for 12, but perhaps next week we will do better.

**Mr. Rae:** That is because the long-winded ministers are away.

**Mr. Speaker:** We all have our reasons.

#### ORDERS OF THE DAY

House in committee of supply.

#### ESTIMATES, MINISTRY OF GOVERNMENT SERVICES

**Hon. Ms. Caplan:** It is my pleasure to present the expenditure estimates for the Ministry of Government Services for 1985-1986.

Let me begin by saying that I do not intend to recite a long list of statistics and accomplishments. That type of information is readily available in my ministry's annual report. Instead, I want to let the committee know about some of the exciting and innovative work my ministry has been doing recently and is planning to initiate in the near future under the able administration and direction of my deputy minister, Gérard Raymond.

The future, after all, is where any government should be looking. It is certainly the focus of this new government. My ministry, with its commitment to the development of information technology, including an advanced telecommunications network, is helping to bring the future to Ontario government offices across the province.

Fresh ideas and new ways of doing things are particularly important for my ministry. We are the service ministry for all other ministries and agencies of the provincial government. In many ways, what we do affects the total working environment of the public service, from the provision of office space to computer services and employee counselling for Ontario's public servants.

The Ministry of Government Services has often been described as both Ontario's largest landlord and its largest tenant, a collection of many diverse businesses and the ministries' ministry, but beyond property, accommodation, telecommunications and our many other functional areas of responsibility, there is the more intangible aspect of service.

11:20 a.m.

We serve other ministries so that, in turn, the general public of Ontario can be served as well as possible. The physical facilities, the technology and the organizational structure all profoundly affect the productivity of Ontario's approximately 80,000 public servants. Because their work directly or indirectly affects virtually everybody in this province, the importance of the total working environment cannot be overestimated.

Many recent and upcoming initiatives by my ministry are increasingly taking an approach that links a good working environment to good service in all program delivery. My enthusiasm for this approach is partly the result of my dual portfolio.

As Chairman of Management Board of Cabinet, I have a unique vantage point that allows me to see right across the Ontario government and to gain insight into both the policy requirements of government and the operational demands of a line ministry.

In Government Services, a very complex and multipurpose ministry, that unique vantage point is a real asset. It is clear to me that the Ministry of Government Services must show a sincere commitment to service before the same can be expected of any other ministry, so we are increasing our contact and consultation with our client ministries. We also want to make sure they know all about our services. To this end, my ministry has recently published *Serving You: Your Guide to MGS*, as part of what might be termed our outreach program.

As minister, I have initiated a comprehensive review of the province's real property holdings. Although Management Board is playing the lead role for this total project, staff from Government Services is fully involved in the review, which is concerned with the real property holdings of ministries, agencies, boards and commissions. This is the first time, and I stress first time, that this has been done. With estimates of the value of government property ranging from \$5 billion to \$10 billion, it is an initiative that is long overdue.

Early in 1986, the government will have established a plan for cataloguing the inventory of public real estate holdings. During 1986, we will complete the categories and affix values to the inventory. We will also develop an ongoing system of review to make sure that lands are being used efficiently and in the best interests of both the government and the general public.

With both capital dollars and residential housing in short supply these days, it is critical that we be precise as to what our assets are and as to which of them are surplus to our needs. Once we know exactly what property we need and do not need, the next step is to decide how we are going to use any surplus assets. There are a range of options. They made be used to generate revenue for reinvestment in new assets, to make land available for housing projects, to provide more government accommodation, or to contribute to local, municipal and social objectives.

Overall government land management should also be guided by these four goals.

This new government is committed to a more dynamic and businesslike approach to public sector land management. Now, more than ever, we must find ways to provide the facilities we need within a framework of fiscal responsibility. The recently announced plans for the development of a new consolidated port complex in Metropolitan Toronto underlines our commitment to this principle.

In developing creative approaches to our asset management, we are also looking at innovative financing techniques, such as using capital that we generate from sales to finance projects we need. In addition, we are searching for ways to reduce our reliance on leased accommodation, which represented a total expenditure of \$88 million in 1984-85. Leasing leaves us vulnerable to market pressures and thus we are faced with soaring costs that are beyond our control.

A long-needed review of the provincial government's land holdings is only part of our new approach to managing our massive portfolio. The traditional method of disposal of surplus public assets is through tender and auction. Although we will continue to use these methods, in certain circumstances the government may use other marketing techniques more appropriate to private sector operations. Our sales of surplus assets have traditionally been all cash, but we now are studying financing techniques that could be even more advantageous to government. These could possibly include takeback of mortgages on builder's terms. In addition, in certain cases we will consider joint ventures with the private sector. In developing these approaches we are drawing on the expertise of the private sector.

The real property advisory committee was set up about a year ago to make recommendations on the management of our real estate portfolio. This committee is very supportive of the minister's land management and disposal efforts to date, and I will continue to seek its advice and its expertise as questions concerning acquisitions and sales arise. I have begun to meet with the key players from groups that will be directly affected by our real estate decisions and I intend to share our views and listen to theirs. It is part of my personal philosophy to consult before taking action.

Further on the subject of accommodation, we need to make management in the government more aware of the cost of accommodation and more accountable for their use of space. Minis-



tries are now required to present a business case showing their accommodation needs as well as the usual financial and human resource requirements when requesting approval for new programs from Management Board. One of the options we will be looking at is the use and expansion of a chargeback system for accommodation. This is just part of a whole strategy my ministry is adopting in its accommodation responsibilities.

We have already made a commitment to develop a formal portfolio strategy for Metropolitan Toronto. In it we will take into account the needs of various ministries along with the overriding need to control our costs in this area. Throughout my remarks today, members are hearing about our plans to use space wisely and efficiently yet accommodate all government programs and services appropriately. Members can be assured that our strategy in Toronto will be reflected province-wide as we serve government's larger priorities of housing construction, job creation and support of private sector firms as much as possible in all our operations.

Outside Toronto we have already reviewed the Ontario government's accommodation needs in six municipalities. I firmly believe it is the duty of my ministry to get the best return on the taxpayers' investment in public land and buildings. In serving the taxpayers, we also have to serve the needs of our client ministries.

To serve ministries' accommodation requirements better, we have begun moving our project executives, who co-ordinate the accommodation needs of individual ministries, right into the ministries they serve. In that way the project executive acts as an onsite customer service representative. In our district offices we are also stressing the importance of local delivery of service. Our locally based staff often have the best combination of knowledge and expertise to serve their clients in the region.

Throughout Metropolitan Toronto, the Ministry of Government Services is considering consolidating the offices of ministries that are today scattered across the city in as many as six locations. Our overall aim is to lower accommodation costs and achieve greater efficiency in government's use of office space.

As I stated earlier, another aspect of government that needs major revamping is government procurement. Right now a fragmented approach prevails, which means inefficiency and waste in the supply and purchasing of goods and services. A very useful report prepared by an interministerial review team addressed this problem more

than a year ago and suggested that with improved management a target of \$50 million in savings could be achieved government-wide over four years.

On the basis of that report, we want to improve the entire purchasing and supply management function in the government—quite an undertaking. When I say “improve,” I mean we have to perform this function in a more businesslike manner, more efficiently and more cost-effectively and make it easier for businesses, large and small, to tap into the government supply and services market.

**11:30 a.m.**

We have begun work in four major areas. Staff at the Management Board of Cabinet will do two studies, one on fleet management and one on government travel arrangements. They will be looking into ways to yield greater efficiency through a better co-ordinated system. The Ministry of Government Services will oversee the other two studies which I announced today have been awarded to an outside consulting firm. One study is on inventory management and the other deals with supplier lists.

Since the value of government-wide inventory is estimated at about \$200 million, more efficient management can be expected to produce some impressive savings. There has never been a better time to set up a comprehensive, automated data base of suppliers to the Ontario government. In the past, there has been rhetoric about a one-window approach through which potential suppliers could reach the government market. Today, one still will find hundreds of supplier lists that exist in literally hundreds of Ontario government purchasing offices. Obviously, this means costly and inefficient duplication. It is not surprising that business people often have expressed frustration at having to register separately in so many different purchasing locations to gain access to the government market. I have heard this complaint time and again over the last five months.

We are tackling this problem in several ways. First, the outside consultant's study of the current situation will pinpoint ways to reduce the duplication of supplier lists and to manage them more effectively. Second, this ministry is testing a model of a new automated information system for Ontario suppliers that is electronically linked to a national system that has already been developed at considerable cost by the federal government. As the Ontario government develops its own sourcing capabilities, it will work closely with the federal government to make sure

it takes full advantage of the work done to date in this area and to ensure the federal government's efforts are not duplicated.

These initiatives show our determination to improve access to the government market for the business community and to ensure this access is fair and equitable.

As members know, my ministry also provides computer and telecommunication services to the Ontario government. Here I am pleased to say that operating efficiency has been significantly increased. As a result, we have been able to pass on a price reduction of 10 per cent to our computer clients. Although the Ministry of Government Services handles about 80 per cent of the government's computing through its three computer centres, there is no obligation on the part of client ministries to use us.

I would like to give members an idea of the scope and volume of the ministry's computer services. There are now 6,000 terminals linked to the ministry's three main computer centres, which handle nearly 19 million transactions per month. In addition, we print eight million pages of information for our clients each month. Major users of this service are the Ontario health insurance plan, the Ministry of Transportation and Communications vehicle registration, and government payroll and cheques.

On the telecommunications side, we are working on several major projects. These include the introduction of computer-based telephone switches into our Metro Toronto phone system and the installation of the Ontario communications network switch which will make it easier and less expensive to use the government intercity telephone network.

A very significant project to serve the needs of our employees is the new Queen's Park child care centre. This centre is scheduled to open in January 1986, and it will be a model—I stress model—to the private sector. Work-place child care benefits employers and employees alike. We hope that private-sector firms will follow our initiative and that this kind of facility will become commonplace.

I am pleased this is about to become a reality at Queen's Park; however, I want to emphasize the government is not getting into the business of actually running day care operations. We are providing a physical facility within which employees can operate a day care centre as a nonprofit corporation. An interim board of directors is in place. Once the centre is operating, the parent users will select their own board. The

board is responsible for hiring staff and running the centre itself.

In the area of employee services, work is continuing on the development of the new corporate human resources information system, known as CHRIS. CHRIS is one of the largest systems of its type to be developed in house for government use in Canada. When completed, it will provide a single, integrated source of data on employees and position. The system will ensure that all personal information remains confidential.

CHRIS will serve both employees and management, providing a career planning capability and a new corporate human resource planning component. With ministries working actively in its design and development, CHRIS will take about another two years to complete.

Today I have outlined some of the ways the Ministry of Government Services is involved in improving the total working environment for Ontario's public servants. Whether it is through more efficient technology, provision of child care, more user-friendly accommodation or more efficient office services, my ministry's goal is always the same. We want to co-operate with the staff of all ministries, giving them the support they need to do the very best possible job of serving Ontario's people.

In concluding my remarks, the main point I want to make is that the Ministry of Government Services is moving towards a more strategic approach to service delivery. We are structuring an all-encompassing approach, line ministry accountability, improved service delivery and better lines of communication. As we do this within our own ministry, and in our dealings with client ministries, we feel it will be reflected in a higher overall standard of government services to the people of Ontario.

**Mr. Villeneuve:** I thank the minister for her opening remarks and congratulate her on her appointment as Minister of Government Services along with a number of other hats she wears. She is doing a commendable job with a very heavy responsibility.

I would like to welcome her to her first estimates as Minister of Government Services. It is my first run at being a critic for a ministry. I am quite sure that in the next several hours we will be able to discuss many of the things that concern us in the opposition and which I am sure she will be addressing from time to time as Minister of Government Services.

I will try not to take up too much time as the ministry is involved in a number of projects



throughout Ontario and I am sure many of my colleagues may wish to ask questions about the status of specific projects in their ridings.

The Ministry of Government Services does not normally draw a lot of public attention, as is appropriate for a ministry whose main purpose is to ensure that other government ministries perform their functions. Yet the ministry's role is most important and we as members in this committee should satisfy ourselves that the minister is doing her best in directing the actions of her ministry.

The first questions I have are quite general. I will get to the more specific ones later.

Since the minister holds two portfolios, I would like to know how much time she would spend each week dealing with issues of the Ministry of Government Services. The general perception among most observers at Queen's Park is that the minister devotes what seems to be the majority of her time to her role as Chairman of Management Board, also a very important position in the Ontario government.

The minister's telephone and office are listed as being on the seventh floor of the Frost Building South, which is the location of the Management Board secretariat. I would like the minister to provide this committee with the size of her office staff; the positions they fill; which staff were drawn from within the public service, if any; and finally, which of her staff work on issues related to the Ministry of Government Services and which ones draw their pay from the same ministry.

Also, has the minister hired a communications or press relations staff person? If so, what have this person's duties consisted of?

I would ask the minister to indicate whether she believes the position of Minister of Government Services should remain as is or should be merged with another ministry of the Ontario government.

**11:40 a.m.**

I am also interested in knowing whether any potential conflict of interest has been identified with regard to the two portfolios that are held by the minister. It is my impression that the ministry undertakes a great many projects that must have Management Board approval. Having the same person in charge of both organizations always creates the possibility of a potential conflict. Management Board is responsible for the Manual of Administration, which includes rules on tendering. As the Ministry of Government Services does a great deal of tendering, the

perception again is that abuse of the system is always possible.

A few years ago, when the then member for Eglinton held the portfolios of both Attorney General and Solicitor General, a certain party known as the Liberal Party, which was the official opposition, was quite active in questioning the propriety of the same individual being in charge of making the rules and carrying out those same rules. I believe this situation is possibly occurring within the present structure of the government.

The awarding of contracts by the ministry has traditionally been placed high on the list of topics discussed during estimates. While the current government has not been in office long enough to face the scrutiny of the Provincial Auditor—and we did have questions regarding that during question period today—it is not too early to look into the issue of potential conflict with the Manual of Administration.

In view of these issues, which raise the possibility of conflict of interest, perhaps the minister can outline the specific steps she has taken over the past few months to eliminate the possibility of any conflict between the two roles she has to execute. Perhaps she could provide the members with any changes she has introduced to the Manual of Administration or memos outlining revised procedures which may have been sent to senior officials.

I want to make a few inquiries on certain operational aspects of the ministry. The first deals with the intercity telephone lines, which the minister addressed to some degree in her opening statement. Is the ministry planning to make more areas accessible to the network? Can the capacity of the existing lines be increased to reduce the ever-increasing frequency of tied-up lines?

My own riding has no tie lines except for a very small area in the township of Charlottenburgh. The remainder of Stormont, Dundas and Glengarry has no tie lines to Queen's Park or vice versa. Often my constituents' problems are dealt with by provincial government offices in Ottawa. There is nothing wrong with that; it is a regional area. People in eastern Ontario look to Ottawa for government and are often unable to differentiate between provincial and federal matters. Government is government.

It has often been the case that when I or my staff call Ottawa from Queen's Park there is some difficulty in getting through. I realize there is a lot of telephone traffic between this place and the Ottawa regional offices for different ministries, but perhaps the minister could explain the

technological capabilities and limitations of the system now in place.

On a related topic dealing with telephone lines, it is my understanding that the Ministry of Government Services maintains a considerable amount of information on computer. In the computer storage area is personnel information, which includes pay and benefits. Are these computers owned by the province? In any case, is the minister satisfied that there are sufficient safeguards within the systems to prevent unauthorized access of any sort, computer crime or computer fraud, which is becoming more and more prevalent in our space-age society? This is an area that has drawn considerable public attention. I am sure the minister will agree there is a good deal of personal and financial information in data banks which should be kept secure from unauthorized access.

On another topic, I would like to ask the minister for a slight clarification regarding overall Ministry of Government Services expenditures on the first page of the minister's printed estimates—the summary—which shows a forecast for total budgetary expenditures of \$418,919,495. The recent budget paper shows \$438 million as the estimated expenditure for the Ministry of Government Services during the fiscal year 1985-86.

Can the minister explain the reason for this difference of almost \$19 million between the estimates put forth by the ministry and the figures provided in the provincial budget? Does the Ministry of Treasury and Economics practise a different type of bookkeeping, or does it do some other type of bookkeeping entry that accounts for this discrepancy?

Moving on, I want to mention quickly the French translation service that the ministry provides. I have made use of that service from time to time, although I do have a few problems with it. First, I want to ask the minister about the volume of work the service handles on an annual basis, if indeed those figures are available, and the number of personnel who operate in translating from French to English and vice versa. I would also like to know what priorities are attached to the requests that come in from members and from other government agencies. In other words, I want to know what gets translated first.

In my own case, I rely primarily on my secretary-assistant to do the translations, because I have found from experience that to have a document, a press release or whatever translated from English to French through the Ministry of

Government Services can take up to two weeks. I respectfully suggest there could be some improvements in that area.

I wonder whether other members with franco-phone constituents have experienced similar problems. Perhaps the minister would want to undertake a survey of members who require translation services from time to time to determine what the quality of service is, what sort of results they are getting and whether they are satisfied with the results of the translation service.

I would like to know whether the ministry has ever had any requests to consider moving the translation service, or part of it, to a location somewhat closer to the members' offices within the immediate Queen's Park complex? If so, what has happened to such requests, and is the minister willing to consider such a request at this time to improve French-language communications between members and their French-speaking constituents?

On another point, I noticed a mention back in the 1981 estimates that surplus government furniture was made available to nonprofit organizations before being auctioned. I presume these nonprofit organizations are Toronto-based or in the immediate area of Toronto. Is this still being done, and if so, what process should be followed by any private member who wishes to have certain of the charitable organizations within his riding apply? First, how could he find out when these auctions occur, and what is the process—the bidding, the tendering or whatever?

**11:50 a.m.**

I have a couple of other subjects I want to mention. The first deals with government-owned land just east of Bay Street. We in the opposition walk by there quite often, and the people in government go and pick up their limos and their chauffeurs over there. We know there is a large block of land.

At one time, I am told, there was a considerable degree of speculation about the future use of this land, whether for government offices, for transfer of parts of that land to the municipal government and to other civic government projects, or simply to be held in a land bank. What is the status of that area? Is there a plan for its use in the near, intermediate or distant future?

Its location is prime in downtown Toronto, and it could be used for a great many purposes. What has the new government decided to do with it, if anything? Have any new studies been done on whether it is more economical to build or rent office space? What are the savings involved in



the different alternatives that are being considered by the government? What are the annual costs to the province of renting property in the city of Toronto, especially in the downtown core?

Does the new government plan to undertake any new studies to assess the situation, and if so, when will these studies be completed and when will the results be made available? Does the ministry expect the requirements for public-service office space to increase in the upcoming years and at what rate? Finally, does the minister foresee more ministries relocating away from the immediate Queen's Park complex?

The last area I want to cover concerns the very stately building in which we are right now. Since this is the ministry responsible for this building, its operation and maintenance, what are the short-term, intermediate and long-term plans for maintenance and repair? As a member and taxpayer, I do not believe we should lavish money on ourselves, and I am sure the public shares the same view.

Having said that, there should be some mechanism whereby this very historic building receives ongoing maintenance where required and restoration work to ensure the historical preservation of this building, which is very important to the government and culture of this province. I do not want to minimize the work carried out under former ministries and under the present ministry, but I am aware, as most members are, that a great deal more can be done to improve the Legislative Building of Ontario.

What is important is that the work to be done should not be seen as a waste of public funds. To accomplish this, the minister, in co-operation with the Speaker, might want to entrust the final recommendation to an outside body such as the Toronto Historical Board or some other organization. The minister need only look back to the reports made by various members' services committees and talk to members who have visited other legislatures across Canada to see how much better preserved some of these tend to be.

There are specific items I would like the minister to comment on. The first deals with energy conservation, heating and air-conditioning within this building. Every member who has spent some time in the building will agree the windows are in place only to keep out snow, rain and pigeons. Sometimes they do not even do that.

As a matter of fact, during the summer in the wings of the main building—and we never had

occasion to be in the north wing all that much except for last summer, when we realized some improvements could be made to the north wing, as I am sure many of the people who sit on the government side will agree—the window air-conditioners must operate constantly and the halls become excessively hot. The power demands of these air-conditioners is often so great that power losses result. It also does not make sense to turn off the air-conditioners for any length of time, because outside air enters very quickly.

Those of us in the north wing have a much better system, and it is more comfortable there, but a great deal needs to be done to the main building.

In the winter, it is pretty much the same situation. We have what appears to be a very ancient, inefficient heating system, which must compete with all the cold air entering the building. If one looks at the hallways connecting the main building to the north wing, one will see drapes being blown by the wind, and that is with all the windows closed.

If such a situation were to exist in a residential building, it would be called an outrage, and if it existed in an office building, the employees, the unions and whoever else would have the case heard. Here, however, we simply accept the situation, even though the government has long preached energy saving to the public while functioning in probably the least energy-efficient public building in the province.

Legislative offices in many jurisdictions, such as Washington, have been successfully modernized, and there is no reason we could not do it here, particularly when we consider the much more severe climate in which we have to live.

Can the minister tell us whether any energy conservation or efficiency studies have been done of the building, and what the findings and range of associated costs have been? Are there any plans to modernize the heating or air-conditioning systems, and what is the anticipated schedule for attempting the completion of these changes?

Also, what shape is the roof in? Talk of replacement has been going on for quite a number of years and even dates back well before my first election to this Legislature. I would like to know if the roof we have now is contributing to the poor energy conservation level of the building and to what extent. Perhaps the minister could also outline the expenditures that various alternatives to replacing the roof would involve.

Has the ministry identified any other structural or physical problems regarding this very special building? What recommendations has the ministry made to the Speaker for work to be done? What work is scheduled to take place on the building in the next 12 months? Do any plans exist to restore the fifth floor in the Legislature's west wing for office space?

Finally, regarding the wheelchair-access ramp at the front of the building, has the ministry determined how much longer this wooden structure will last? Have any recommendations been made for a more permanent structural access that would blend in with the architecture of the building a bit better? I understand it is a stopgap measure. I hope the minister is looking at possibly improving the scenery at the front of this great building.

That essentially completes my remarks. Once again, I compliment the minister on having learned her job quickly and well. Whatever this side of the Legislature can do to assist her, we will be most pleased to do.

**Mr. Philip:** For the first time in my 10 years in the Legislature, I have not come prepared for an opening statement. The reason for that is, in the case of this ministry, I have a number of very specific questions with which I want to deal. Because of the very limited time, I do not want to take a lot of it on a very long opening statement other than to comment on a few of the minister's recent statements.

### 12 noon

In preparation for the matters I want to deal with in considerable detail, I wish to advise the minister that I want to go into some depth regarding the College Park move by the Ministry of Housing. I am going to ask the minister at this time to ask her officials to bring and table in this House every document, every internal study and every cost comparison. We will be able to show that some of the fears of the Provincial Auditor are well substantiated. More particularly, however, the Provincial Auditor unfortunately missed a number of key questions in his study and analysis of the move by the Ministry of Housing. For that reason, I am going to ask that all those documents be made available so we may deal with them on a document-by-document basis.

It is my contention, because there was no overall plan for use by the previous government—and luckily this minister is starting to move in the right direction—that it was a political move. First, it was a political move by a Treasurer who wanted \$25 million, which was a very small amount out of a \$26.4-billion budget, but none

the less wanted to be in a position to say he was selling off and somehow disposing of assets. That was a philosophical move. It may have been a political move, but it probably had very little to do with economic realities.

Second, it was a move by the former Minister of Housing who was able to convince the Ministry of Government Services to come up with figures to justify a move into some lavish offices; a move which would not have been justified if there had been an overall plan for office space.

We must move in the direction the minister has stated. Interestingly enough, I had put a couple of pages together as an opening statement, as a policy statement, and the minister in her opening statement had much the same ideas as I was going to advocate; namely, that we need an overall comprehensive study, a short-term and a long-term study of office need. We need to co-ordinate that with the municipal government and with the overall planning of the municipality of Metropolitan Toronto, as well as with the office space needed in other jurisdictions. Unless we have that kind of plan, we are always going to be open to the political winds, the rigging of figures or the creation of figures to justify any kind of move which a minister may want for whatever personal reasons, be they ego or the expediency of his own ministry, or perhaps political.

Having advised the minister, however briefly, that I want as many details and documents connected with the Ministry of Housing move as possible, I will move on to a couple of other matters.

I compliment the member for Stormont, Dundas and Glengarry (Mr. Villeneuve) on his opening statement which showed that a considerable amount of research was done. If the minister answers all of his questions, she will have no time to answer any of mine. To make matters worse, as I listened to him, for every question he had, I had two supplementaries and no doubt we will be having some of those.

I ask the minister to update us on the revision of the Manual of Administration and how she sees that affecting her ministry, and her role as the Chairman of Management Board of Cabinet and as Minister of Government Services.

I will deal with a couple of her recent statements and perhaps we can debate these at a later date. While her statement on government advertising policies is a move in the right direction, it does not deal with the major problem we and the auditor have had with government advertising.



In the past there has been no clear-cut, measurable objective on government advertising. There has been no evaluation and in many instances we could point to instances where the objective of government advertising was clearly to obtain tax-paid propaganda for the party in power. That was fairly clear with the "Preserve it, Conserve it" advertisements that coincidentally came just before an election. It was fairly clear even with some of the subtler Conservative propaganda ads paid for at the cost of the taxpayers, such as "Good Things Grow in Ontario." That was right in the middle of the worst snowstorms, but coincidentally was just before an election.

We have proposed a number of measures that would take government advertising out of the realm of politics. One is that there be no government advertising during a provincial election campaign. Once the writs were issued, no government advertising whatever would be allowed. I do not think it would do a great deal of harm to the people of Ontario not to have those ads for a six-week period, and it would remove a lot of the worst abuses we have had.

Over the past few years, we have seen that one can measure the amount of government advertising by whether it is an election year. That kind of thing has to stop. That is the kind of cynical manipulation of taxpayers' money that was used by the previous Conservative government. I suggest that an all-party committee to look at government advertising and come up with specific criteria to remove it from the realm of propaganda, would be worth while. I hope the minister will go in that direction.

On the matter of the minister's statement to the House on efficiencies in the purchase of goods and services, I hope there will be a way it can be co-ordinated with crown corporations and with one of the worst abusers and most inefficient agencies I have seen: Ontario Housing Corp. In the auditor's report, we have seen the tremendous abuses with OHC in not having tendered contracts in the use of security systems. The auditor pointed out that he could find no studies that related to the efficiency of the security systems, and that one company was set up exclusively to provide security systems for OHC.

That makes one very suspicious. If, through my friendship with the minister, I could somehow set up a company that would get an exclusive contract with the government, I would be fairly comfortable knowing that I was in for a bright financial future. That kind of thing is inexcusable. It is even more inexcusable inas-

much as only a few years before I had exposed major problems with security in OHC buildings. If I am not mistaken, criminal charges were laid. The Ontario Provincial Police investigated, but whether it went to court—when one deals with so many issues over a period of years, sometimes the results escape one, but I recall that charges were laid.

As to the minister's statement on efficiencies in the purchase of goods and services, I would like to get into an area I raised with previous ministers, to which they were completely insensitive; namely, whether we should move in the direction some American jurisdictions have moved in and connect government contracts with affirmative action programs and human rights enforcement. We have instances of other jurisdictions where a corporation that has been guilty of a human rights offence will not be eligible to bid on contracts. That would be a strong way in which the minister could promote affirmative action and human rights action in the private sector.

**12:10 p.m.**

The other area involves corporations paying low wages and whether the government, through its tendering system, is exploiting ordinary people. The best example I can think of is the federal example—and I have dealt with two federal ministers on this—where security at the airport is done on a tendering system. This means the company providing the security that is supposed to protect your life and my life as we get on airplanes goes to the lowest bidder.

This means that if a security firm becomes unionized or even starts paying union-level wages, it is promptly out of business when the next tender comes up. These are people who are doing the immensely important function of trying to save our lives, and yet there is a constant turnover because the companies are in a position where, whether they want to or not, they cannot pay very high wages or they will lose the contract the next year because it goes to the lowest bidder.

I suggest that in any kind of government contract we should look at ways of ensuring not that the company is unionized, because that is the business of the employees, but that at least fair wages are being paid by the company and that the government is not assisting it to undercut the market and exploit its workers.

The minister has talked about the uniform management system for the operation of government vehicles. I find that interesting because from time to time over the years I have had various tips, which I had no way of proving—

obviously, the previous government did not want to give me the information—concerning the use of government cars for personal use by, in one case, a cabinet minister. I had no way of proving it one way or the other; it was hearsay evidence. The civil servant who gave me the information would not let his name be used.

What kinds of controls will there be to ensure that high-level public servants and ministers will not misuse the transportation systems for their own personal use? Will there be logs? Will these logs be available to the Provincial Auditor? Those are the kinds of questions one must ask.

Co-ordinating government travel is a matter I have been asking the minister to look at for a number of years. It was one of the items that she and I discussed shortly after I had congratulated her on her appointment. It is interesting that other jurisdictions have a government-owned and operated travel agency, so the profits go to the government agency. I do not know whether that is the route to go, but I wonder whether it is being explored as one of the routes.

In her opening statement the minister talks about how some ministries are using the government's own computer system, and I want to know what the criteria are by which a government agency or ministry might go to the private market and not use the government system. It would be interesting to find out which ministries are not using the system and whether they have legitimate reasons for not using the government-owned and operated system.

I had a number of other questions. I suppose if I do not do this in the leadoff I will be accused of making a speech, and therefore I will not get it on the record. So for the sake of something I am personally interested in, I will mention it now. The member for Stormont, Dundas and Glengarry brought up the efficient use of energy, which I think is an important issue in government buildings.

I am pleased to have received a letter only this morning from the minister as a result of a letter that I sent to her, to the Minister of Housing (Mr. Curling) and to the Minister of Energy (Mr. Kerrio), concerning a new device called a fluorescent regulating electronic device that is manufactured in Etobicoke.

I have some interesting brochures. Here is one from Edmonton Hydro which promotes the device. Here we have an Alberta hydro company promoting the use of this in the industrial sector.

This device provides a 30 per cent reduction in fluorescent light power usage; reduces peak load of electricity and operating temperature of light;

extends the life of fluorescent light bulbs by 30 per cent; doubles the life of the ballast; reduces air conditioning costs by 10 to 15 per cent; and the return on total investment, including installation, is eight to 18 months depending on the amount of light. It seems, therefore, this is a rather important device to install in government buildings.

The minister mentioned in her letter to me that she has somebody studying it. This is what I had requested, and I appreciate she has shown an interest. My question is, how long will it take for the technical research to be completed by the ministry? If this research proves to be fruitful and accords with the claims the company is making in its own research, when will we see a gradual installation of these devices in government buildings?

One last issue I want the minister to deal with is a personal one which has been bugging me since 1975. No minister seems able to resolve it. Luckily, it will be resolved on its own by the changing of the name of my riding.

When a person calls and says he wants to talk to his MPP, the operator asks where he lives. Unfortunately, the persons on the switchboard cannot get it through their heads that when the person replies, "Etobicoke," that does not necessarily mean he lives in my riding. There are four provincial ridings. I am tired of getting case loads from those other three ridings.

The other ministers cannot seem to tell those people on the switchboard that there is an extra question to be asked, which is, "Where in Etobicoke?" If the person says, "Rexdale," I will handle the problem with my usual efficiency. But for heaven's sake, I do not want the case load from the riding of the member for Humber (Mr. Henderson). He is an excellent MPP. I would have been tempted to vote for him, if I had lived in that riding. That may be going a little far. He is a vast improvement on the previous representation, but I do not want to handle his case work. If I handle all of his case work, then I will need his services and have to lie on his couch from sheer exhaustion.

I am asking the minister to please do me a favour. No other minister has been able to solve the problem. Until the boundaries are changed and my riding is called Rexdale, please tell people on the switchboard—I know they are busy and overworked—when somebody says he comes from Etobicoke, to ask where in Etobicoke. I would hope at least one out of every four could be sent to the very able member who is sitting across



from me who will listen to the problem and help in the same way I would.

I leave the minister with those few comments. Maybe she can respond to those questions. I would appreciate knowing when the documents might be available as I want to go into the College Park transfer of the Ministry of Housing in some detail with those documents before me.

12:20 p.m.

**Hon. Ms. Caplan:** Let me begin by thanking my critics for their excellent questions. I will endeavour over the next few hours to answer them all.

On the last point the member for Etobicoke (Mr. Philip) raised, I will investigate and see what documents are available. As he knows and as I mentioned earlier today in the House, the convention when governments change is that an agreement is made between the outgoing and incoming Premiers regarding what documents will be available. I may not be able to satisfy the request with respect to what documents I will be able to provide for the member. However, I will do the best I can.

It would be fairest if I began at the beginning and went through the questions chronologically. However, some are easier to answer than others and the information is more readily available. Perhaps I will start with my own office and answer some of the questions regarding my staff and my handling of the two functions, which I think is a very important responsibility.

Let me say it was a great honour for me to be asked by the Premier to assume these two roles, and I believe they fit together extremely well. I have no concerns whatever regarding conflict because of the fact that Management Board sets policies which the Ministry of Government Services then carries out. If anything, as a minister, I see a great benefit in the opportunity to have the sensitivity to a line minister who then comes before Management Board.

I think perhaps twice in making rulings at Management Board which will impact on all ministries. Rather than giving special favours to one ministry over another, as members might suggest, it gives me a special perspective to ensure that all ministries are treated equally and fairly.

As far as my own staff is concerned, currently the total is nine; they are all on contract. I have a special assistant specifically assigned to the Ministry of Government Services, who is located in the Ferguson Block; that is so I can be kept up to date at all times and so there is an immediate contact at the ministry's head office.

I have a special assistant assigned to the Ministry of Management Board secretariat with responsibilities for the Civil Service Commission as well; that person does all the legislative work here in the Legislature for question period.

As well, I have a scheduling officer, who assumes all the responsibilities for seeing that I get here and get home, a research assistant, an administrative assistant, a word processing operator and a communications special assistant.

All these staff, with the exception of the one special assistant with specific responsibility for Government Services, have dual roles so all of us at all times can consider the functions of both ministry's responsibilities.

The position of the executive assistant is in the process of being filled, and I hope that will be completed within a very short time.

The total staff of nine, by the way, compares with a previous staff of 14. I try not to remind my staff too often that they are doing the work of 14 people. The nine of them are very efficient and dedicated, and I am very happy to have them.

The question regarding staff pay was an Orders and Notices question. I believe that has been provided. If the member requires any additional information, I will be happy to provide it. Similarly, with respect to staff job descriptions, I am not sure how specific the member wants me to be, but I will be happy to provide him with the job descriptions.

The communications person is responsible for liaison with the ministry communications department, issuing all press releases, ensuring that the political perspective is kept within the minister's office and that the ministry staff people provide factual information. That is the responsibility. As well, speechwriting and all the media contact from my office are done through the communications person, who is doing a very able job.

The two portfolios are a challenge I am delighted to have the opportunity to undertake. Coming from North York council, where I served for seven years, and going from candidate to cabinet has been an incredible and remarkable experience. The training of my years on North York council prepared me well for question period. I am sometimes dismayed that our questioning gets so personal here, as it did in North York. I would prefer to see issues, rather than personalities, discussed and debated.

I hope that answers all the questions about my staff. If there are additional questions, we will have three hours and I will be pleased to answer them.

Let me get to some of the specifics. The one that is easily answered is the question about Ontario Housing Corp. and procurement. The procurement review we have undertaken is a study that I hope will be completed within four months. We will be looking at the scheduled agencies, boards and commissions. As of now, Ontario Housing Corp. procurement is not the responsibility of the Ministry of Government Services.

**Mr. Philip:** May I ask a supplementary?

**Hon. Ms. Caplan:** Of course.

**Mr. Philip:** One of the complaints we have had over the years has been the inability of some people to get contracts with Ontario Housing. There have been complaints by some of the staff at Ontario Housing that outside contractors were being brought in.

At present, the Ombudsman of Ontario is doing a systemic study of abuses or mismanagement at Ontario Housing. Will the minister provide the Ombudsman with any insights she might have so his report can reflect the direction in which she is going in the proposals he will eventually be making to our committee?

Wearing four hats—not just two, the way the minister is—I am concerned about the Ombudsman's report on this, and I am concerned that he have as much information as possible. It seems unreasonable that if he is studying this, he should study it in a vacuum when the minister is moving in the direction she stated this morning.

**Hon. Ms. Caplan:** Any request from the Ombudsman to my office will be met with whatever assistance and information I can provide for him. The entire issue of accessible government markets is of great concern to me. As I said earlier this morning, numerous calls have come to my office over the past four months alerting me to this. That was one of the reasons I initiated this project.

I am hoping we will have a co-ordinated and consolidated suppliers' list that will afford access to those who want to do business with the Ontario government. It is my philosophy that we should be getting the best product for the best price. We should ensure that business people in this province and those who can provide services to this government should be able to do so with as few barriers as possible.

If the Ombudsman wishes any assistance from us, I will be happy to see he gets it.

On the use and misuse of government cars, that will be part of the study being undertaken on the fleet management of all government vehicles. We are looking at a comprehensive study that

will take about four months and should answer most of the member's questions. At present, we have different management systems across the government. Perhaps with a co-ordinated approach, we will be able to answer those questions regarding the use of cars.

**12:30 p.m.**

As to the question regarding the electronic device, as I said, a trial period is going on right now. I am particularly interested in energy conservation. For the interest of the members of the House, I was chairman of the energy policy and programs development committee in North York. I initiated and instigated the development of that committee, and the policies the city undertook were under my tutelage. If there are savings to be had from cost-effective energy conservation mechanisms, I will investigate them and they will be implemented, provided the paybacks make economic sense.

**Mr. Philip:** How long will the study take?

**Hon. Ms. Caplan:** The study will take from six to 12 months. I will monitor it through. Two studies are under way, and I will be watching the results of those studies to see whether we can begin to implement, if they prove viable.

In regard to abuses of tendering and contracts, the member asked some questions relating to the Manual of Administration. That is a Management Board issue. Next week we will be dealing with it in depth.

At my very first briefing session with the Management Board secretariat staff, who by the way are excellent people, the very first directive I gave was about my concern regarding tendering practices and policies for this new government. That has been worked on for the past five months.

I have opted for the greatest level of accountability by individual ministries and by deputy ministers on the issue of tendering and contracting. Changes to the Manual of Administration will be coming forward. As a matter of fact, we have already approved in principle some of the underlying principles of that accountability.

There was a question in regard to affirmative action and the awarding of government contracts. The green paper on pay equity suggested that contract compliance is one of the options available in the issue of pay equity. The concerns on contract compliance are that they are part of the whole picture of equal opportunity. It is an option and something this government will be considering, along with affirmative action programs, to ensure that government business,



opportunities, jobs and so forth are available on an equal basis to all people of Ontario.

The specific question will be discussed during the process of the green paper. It will be interesting to hear the response that comes back during the consultation process.

**Mr. Philip:** Surely it does not take any study to come out with a policy saying that any company that is guilty under the Human Rights Code of an offence may not make a bid for government contracts for a period of six months, a year, two years or whatever. Notwithstanding the affirmative components I have asked about, surely companies should be punished for something as serious as a human rights violation. One way of punishing them is by not giving them government business, which does not require any study.

**Hon. Ms. Caplan:** I will undertake to discuss that with the Minister of Labour (Mr. Wrye) and the Attorney General (Mr. Scott).

The question regarding information security is a very important one. Do we have adequate security for important confidential information? Personnel and payroll information was addressed in my statement earlier about CHRIS, the corporate human resources information system. The Ministry of Government Services uses the same tools. RACF, which means resource access control facility, is an IBM security tool.

We make the tools available to our clients as well, the other ministries, and they determine what level of security they require. In response to the Provincial Auditor's comments, we will be encouraging our client ministries to reassess and offering them whatever assistance they require to ensure that all their computer files are secure. These tools are made available, and the ministries determine what level of interest they have.

**Mr. Philip:** Am I right in the information I have that the Ministry of Transportation and Communications is the only ministry that is liable by statute in a very direct financial way? In other words, I can sue the ministry if any information concerning, say, my medical records as a truck driver inadvertently gets into the hands of an insurance company.

Is that the only ministry that has a stipulation about security of personal information by statute, or are there other ministries? How will the Ministry of Government Services be affected? Is there a transfer over?

Suppose, from its data bank in the consolidated computer system, the ministry leaks information from the Ministry of Transportation and Communications. It seems to me that unless one

co-ordinates that kind of thing, it could be a quagmire. Whom does one sue if one happens to be a truck driver whose insurance company has found out he has had a heart attack?

**Hon. Ms. Caplan:** I will be happy to see whether I can have that information available for the member next week. I am not familiar with who has statutory requirements regarding security.

There is one point on the requirements regarding protection of privacy; that is, we have taken quite a step with the freedom of information and protection of privacy legislation that will be coming forward to define some of that, including who is permitted to see his own information and to ensure the protection of personal privacy from those who should not be looking at it. I will be happy to get the question answered for the member in greater detail next week.

Let me address at this time the member's question regarding the 80 per cent of government business that we have. I think the 80 per cent number is quite remarkable, considering the fact that the Ministry of Government Services tenders for government business and must prove that it is competitive. I think it is healthy competition. The fact that we have 80 per cent of the business suggests we are doing a fine job.

I would be a little concerned if we had all the business or if it were mandatory for the Ministry of Government Services to have all the business. It remains more competitive when it has to compete. The 20 per cent shows a healthy level of competition, and I would become concerned if that gap widened significantly.

On the other hand, I am very satisfied with the fact that the computer services offered by the Ministry of Government Services are so well thought of. They are service providers. The other statement I wanted to make on the computer side is that yes, we own our terminals; the member asked that question. We have an enormous investment in the data centre.

Part of the reason the 20 per cent exists is that we cannot do everything. We specialize in those things we do well. Some projects, those that private industry can do better, more efficiently and more cost-effectively than the government, they should do.

I am pleased with the 80 per cent. It shows a very healthy level of competition and I am quite satisfied with that level at this time.

The member for Stormont, Dundas and Glengarry (Mr. Villeneuve) asked a question regarding the differences in our estimates. Let

me tell him that \$16 million was provided, over and above the Treasury figure, for the new Toronto courthouse; that accounts for the major part of it. In addition, there was \$2 million for employee benefits regarding dental assistance for retired employees; that was the other difference in the figure that came forward.

The policy on surplus assets is to give nonprofit organizations a 10 per cent discount on the sale of surplus assets. They have an opportunity to view and to purchase goods a week in advance of the sale. This is open to anyone.

Recently, the first sale outside Metropolitan Toronto was held in Sudbury. It was tremendously successful. The average of these sales is \$12,000. That one, I believe, was \$28,000, and because of that success we are looking at taking them around to other centres in the province, but weighing it against the cost of moving the surplus assets there.

We would be happy to set up an appointment for any organization that qualifies as a nonprofit organization. If the member will notify my office I will be happy to see that this happens. He can also go directly to the ministry's surplus assets department.

**12:40 p.m.**

On the question of French-language services, it is important for the members to know that the minister responsible for francophone affairs, the Minister of Municipal Affairs (Mr. Grandmaître), has undertaken a detailed review of French-language services with the co-operation of the Ministry of Government Services. That review is currently under way. It was initiated by the minister, and we are hoping to have the results as soon as possible. As well, the standing committee on members' services is doing a survey of all members to see what their needs are and to determine what level of service should be provided for members. Those two things are happening simultaneously.

Regarding the volume of requests for French-language translation, the Ministry of Government Services provides English-to-French translation—this just astounded me—of 425 million words per year and French-to-English translation of almost one million words per year. There are 26 all-bilingual staff within the ministry.

The priority setting is (1) official documents, (2) press releases for members—that is for all members and not just for ministers; and there is a one-day turnaround on press releases—and (3) other letters on a first-come, first-served basis.

That is the way things are prioritized, unless there is an appeal to the minister or something specific.

I think any and all services can be improved, and we are always striving to improve those within the constraints that, wearing my hat as Chairman of Management Board, I am always placing on line ministries. Members sometimes have to be patient with those kinds of services, recognizing we are doing the best we can with the resources available and recognizing the need for fiscal responsibility.

On the question regarding the intercity telephone network, the member asked whether the network can be made more accessible and whether it has the capacity for handling increased calls. Those are both very good questions and the answer to both is yes. Both points are being addressed at this time. I mentioned that in my statement.

The volume is monitored on a regular basis and the capacity is increased as required on a cost-effective basis. Significant increases in accessibility are planned for 1986-87. I will be pleased to hear about specific problems that arise. I know I use the network myself and get impatient on occasion, but again the system is undergoing new switching.

I would like to correct the French-language translation number. It is 4.25 million words, which sounds a lot better to me than 425 million. I could not believe 425 million words being translated by 26 staff members. It is 4.25 million words annually from English to French. That is done by 26 all-bilingual staff. I could not imagine how it would be the other.

On the question of the Legislative Building, I would like to acknowledge the contribution of my very able parliamentary assistant, the member for Erie (Mr. Haggerty), who has been responsible for a comprehensive review.

I asked the people in the Ministry of Government Services to do a presentation for the Board of Internal Economy so that members from all sides could see the state of the building and the position of the ministry people. Let me give members some of the details.

The Legislative Building is more than 90 years old. It was never designed for the demands put on it today, and it is deteriorating rapidly because of its age.

**Mr. Warner:** And neglect by the former government.

**Hon. Ms. Caplan:** And neglect by the former government. Members will not find better advocates than the Ministry of Government



Services staff for getting on with the repairs that are badly needed in this building. The constraints are political will and the dollars necessary to get on with the work.

My own priorities for this would be the installation of the electrical facilities that have been requested by the members to computerize and bring us into 1985 electronically, the telephone systems that are so badly needed and the repairs to this assembly. Probably the roof is next.

When we get to talking about heating and air-conditioning, I know the frustration. The cost for replacement of the windows and roof is astronomically high. Probably the reason the previous government did not move on it was that the numbers were so staggering it was difficult to even begin on a plan.

What I am hoping, with the assistance of my parliamentary assistant on this, is to develop a plan. Let us get started. Let us do what we can afford. Let us begin with what the priorities are and move on to see that this building is preserved. I believe it is the heritage of the people of Ontario. It deserves the attention of the members and advocacy from all sides, recognizing there are not enough dollars to do everything as quickly as we would like.

I say this as a new member, without any venom: I wish such a plan had been put in place 20 years ago and the work had been started on an annual basis so we would not be facing the kinds of astronomical costs even to begin. The commitment I make to this House today is to develop a plan and bring it forward, and then allow the Board of Internal Economy to have some input in the decision of how quickly we proceed.

Was there a supplementary question?

**Mr. Philip:** Do I take it the minister will be doing that on other government buildings across the province? It is not just the Legislature that is being allowed to deteriorate. There have been other government buildings in the same situation. It is a little like a condominium that does not have a reserve fund: eventually, in one year, one ends up with such expenditures they will boggle the mind. Unless we deal with each of those buildings and develop long-term maintenance programs, then the taxpayers at some point—it may not be this year; it may be 10 years from now—are going to be hit with the whole thing.

**Hon. Ms. Caplan:** As each day passes I am being made aware of other buildings, and they will receive the attention we can give them in looking at each one as it comes to our attention.

Certainly, part of that is a ministry's responsibility to let the Ministry of Government Services know. The other part is that we often manage and maintain those buildings and come forward with an annual program to do as much as we can with the dollars made available to ensure that government buildings are kept up.

The one major exception has been this building. I am hoping the plan that will be developed will address that. It will probably not be fast enough. It will probably not be perceived as a rich enough plan, simply because it has been neglected for such a long time, but at least we will begin to address how to get on with getting all these things done.

I share with the members the frustration of wanting to do it quickly and not having the resources available to do all the things we would like. I think the problems with heating and air-conditioning are probably not as high on the list as the windows and roof, but they are on the list.

12:50 p.m.

**Mr. Chairman:** Is the minister finished with her reply?

**Hon. Ms. Caplan:** Yes.

**Mr. Chairman:** May we start a rotation? Is there any Progressive Conservative who wishes to speak? No.

**Mr. Warner:** Back to the topic of this building, there are a couple of things in the minister's answer which I find a little unsettling or a little disquieting. I hope she fully appreciates the situation. We are not talking only about heating and air-conditioning, windows or even a roof that is literally falling apart. It is not unusual for members, when they leave the building at night, to find parts of the roof have landed on their cars.

If one looks up, for example, one unfortunately does not see a beautiful fresco from the 1800s, which is there but which has been covered over. Some nitwit decided he was going to put in baffling and paint it, yet on the other side is something that is very precious. It is artwork from the 1800s and it is gone. We are not going to see it unless something is done.

First, to overcome the neglect that was a very specific policy by the former government—it had no interest in keeping this building in good condition or in respecting the heritage or the history of this building—I ask the minister, before she makes a decision about doing something piecemeal, to look specifically at what was done

in two other jurisdictions. There may be others she will wish to look at; British Columbia is one.

The state of New York carried out an extensive renovation program on its Legislature building. In the state of California, they decided to be so bold about it that they moved their Legislature into temporary quarters for five years while they totally renovated their building and brought it back to the condition that reflected the 1800s and the beginning of the Legislature. They did a first-rate job. That is one point.

The second point is the cost, and I am sensitive to that, as is the minister. I would like the minister to take a very wide approach to the cost question. She should not look only at what is available when she goes to cabinet but also at other potential funds, whether through Wintario or whatever. She might also look at the question of public subscription, which has been raised in this chamber on occasion.

The people of Ontario have a pride in their Legislature. I do not think it is beyond question that the people of Ontario might be willing to enter into a subscription, helping to assist the public dollars that are given in an effort to restore this building to the position it deserves. Then all the people in the province can be proud of this building once again, as they probably were at one time many decades ago.

Many of the repairs are necessary so the place does not fall apart. Beyond that, however, there is the historic aspect to this building which needs to be recaptured. For example, I would love to be able to see that fresco up there. Perhaps there will be a chance that we can retrieve it so that future generations can enjoy the beauty of this building.

**Hon. Ms. Caplan:** I want to be very clear about how we are proceeding on this. We are in the process of drafting the terms of reference to have an expert in the restoration field come in to have a look. I believe the priority has to be safety first and then down through things that are needed. I set the priority of safety first because of my concerns in the past about the erosion of the roof and the work around the top of this building. I hope that when we start to look—

**Mr. McClellan:** The fire marshal.

**Hon. Ms. Caplan:** The member for Bellwoods (Mr. McClellan) can tell members we saw that clearly at the Board of Internal Economy. The member for Erie is very aware that safety is a real concern. That must be our first priority.

The member for Stormont, Dundas and Glengarry quite wisely talked about the public perception of lavishing money. I do not think there will be any concerns of lavishly spent

dollars in this case, because the safety aspect alone in this building will consume much money. Energy conservation and efficiency, I believe, have to be a top and clear priority as well.

In the restoration process, we will have to look at all the wishes and desires of the members of this House to restore and preserve the heritage that is here. That is why I have taken it to the Board of Internal Economy.

I cannot say the first priority will be frescos. The first priority must be the roof. We must look at the windows, the electrical system, fire and safety and the Ontario Building Code. We must look at the maintenance of what we have as we begin to restore. I hear what the member is saying, and I repeat that the Ministry of Government Services people are the very best advocates for this building. They know what needs to be done. They are bringing in experts in the field of restoration to ensure that all the information will be made available. I wish it had been done 20 years ago.

In answer to some of the questions regarding the lands east of Bay Street, the current status is that a planning study was undertaken by the Ministry of Government Services and it is near completion. The objectives of the study were to examine appropriate levels of density and to develop several scenarios regarding land use. There has been some discussion about whether it is an appropriate site for an opera-ballet complex. The study looks at different site plans that will give us flexibility regarding the needs of government for its own space requirements and will evaluate the impact of the opera-ballet proposal on that site. As I say, it should be completed fairly soon, and at that time it will be subject to cabinet review.

Another issue was building versus leasing. I would like to answer more fully on Monday, if I may. I have quite a lot to say about how the decisions are made and what the numbers are. I mentioned specifically in the statement this morning that we spend \$88 million on leasing, but the whole issue of financing, such as whether we look to purchase or joint ventures and how we then free up the capital dollars to do the necessary building, is all part of the answer on leasing versus building. I will have the answers as to any studies we have available. That is all part of the new accommodation strategy I referred to in my statement.

The office decentralization issue and the amount of space in the central core will be part of that answer on Monday. I favour decentralization out of the central core. I think only those



ministries that have a need to be in downtown Toronto should be there, because of the high cost of accommodation in the central core. I also think it is important to allow for a provincial presence in other areas of Metropolitan Toronto. Perhaps that shows some bias as a member from North York; however, I will have the answers on Monday.

**Mr. Philip:** Since we have only two minutes left, perhaps I can indicate to the minister exactly the documents I think should be tabled.

**The Acting Chairman (Mr. Reycraft):**

Order. We are beyond time for doing that today.

**Mr. Philip:** It will take 30 seconds. We want certain documents so we can deal with them on Monday, and the minister should have a list of them.

**The Acting Chairman:** Perhaps you could see the minister.

On motion by Hon. Ms. Caplan, the committee of supply reported progress.

The House adjourned at 1:02 p.m.

### ERRATA

No.	Page	Column	Line	Should read:
49	1752	1	1	The Ontario assessment system program, described briefly in my
49	1752	1	23	the total enumeration, using the Oasys facility,

## APPENDIX

## ANSWERS TO QUESTIONS IN ORDERS AND NOTICES

## EQUAL OPPORTUNITY

**11. Mr. Grande:** Will the Minister of Citizenship and Culture inform the House whether the four recommendations made by the Ontario Advisory Council on Multiculturalism and Citizenship in its report of February 1982, titled Task Force on Equal Opportunity, were accepted, namely:

1. (a) That the government of Ontario adopt the principle of equal opportunity in the selection process to ensure that in appointments to public agencies, candidates can adequately reflect the multicultural and multiracial diversity of Ontario; and (b) that the government of Ontario assess and review the criteria for appointments, the selection process and composition of the public agencies in Ontario.

2. (a) That the inventory of residents of Ontario who are qualified to serve on public agencies be expanded to adequately reflect the multicultural diversity of our population; and (b) that the government of Ontario encourage the ethnic groups to suggest candidates from their respective communities who could be considered for inclusion in the inventory.

3. (a) That the government of Ontario announce all vacancies in the public agencies; (b) that these vacancies be publicized in such a way to ensure that this information reaches all socioeconomic levels of Ontario society; (c) that the government of Ontario publicize vacancies in the ethnic media to ensure that qualified members of the ethnocultural communities are aware of the existence of such vacancies in the public agencies.

4. That the Premier and government of Ontario in the appointment policy consider the principle of equitable representation based on merit and qualifications reflecting the ethnic composition of Ontario society in all public agencies, councils, boards and commissions that come under government jurisdiction. Will the minister indicate what specific actions have been taken to implement the above recommendations. [Tabled June 17, 1985]

**Hon. Ms. Munro:** The 1982 report of the Ontario Advisory Council on Multiculturalism and Citizenship, entitled Task Force on Equal Opportunity, was prepared as an internal document for the council by a subcommittee of council members. I am advised the report was not formally submitted to the then Minister of Citizenship and Culture.

The current government is aware of the issues raised in the report and is fully committed to ensuring that appointments to agencies, boards and commissions reflect the diversity of Ontario's population.

## WINTARIO

**96. Mr. Warner:** Will the Minister of Tourism and Recreation advise the House of the odds of winning a cash prize from Wintario in 1983 and in 1985? If the odds of winning have diminished, will the minister inform the House why? [Tabled November 8, 1985]

**Hon. Mr. Eakins:** The odds of winning a cash prize in Wintario in 1985 are the same as in 1983: one in 150. The odds of winning any prize, including Win'fall prizes of a book of free tickets, are also the same as in 1983: one in 17.6. The Win'fall feature is one of the most popular with Wintario players.

A comparison of the prize structure follows:

Prize Value	Number of Prizes Available†	
	1983	1985
\$200,000	—	1
100,000	4	3
25,000	—	3
10,000	8	12
5,000	72	72
1,000	80	80
100	1,920	1,920
50	1,440*	1,440*
10	23,200	23,200
Win'fall	200,000	200,000
TOTAL	226,724	226,731

† = based on four million tickets

\* = estimated



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No. 56

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**First Session, 33rd Parliament**

Monday, December 2, 1985

Afternoon Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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# LEGISLATIVE ASSEMBLY OF ONTARIO

Monday, December 2, 1985

The House met at 2 p.m.

Prayers.

## STATEMENTS BY THE MINISTRY

### FIRST MINISTERS' CONFERENCE

**Hon. Mr. Peterson:** I would like to take the opportunity to report to this House on the first ministers' conference, what was achieved there and what we must do to follow up on those achievements.

From the outset we saw this conference as an opportunity to begin to work towards a plan for Canada's future. We saw it as an opportunity to analyse our common problems and to lay the basis for devising common solutions.

Of course, the conference did see its differences, but they were over principles and policies, not over personalities or partisanship. I must say, since this was my first first ministers' conference, I was very impressed by the way all the participants reached out to deal with our common problems. Confederation works, and it was very much a working conference.

I was struck by how much we have in common with our sister provinces. Ontario did not stand alone on any issue. Other provinces shared many of our concerns regarding the future of farming, the goal of equality for women, the need to maintain our commitment to first-class health care and a first-rate education and training system and the importance of pursuing a trade strategy that takes into account the interests of the people of all regions.

I was also pleased to find considerable agreement with our view that any trade strategy must be part of a broader economic strategy, a plan to improve our ability to make our way in the post-industrial world. When it came to voicing concern about our ability to do that in the face of cuts in federal transfer payments for health and post-secondary education, no region was silent.

I was moved as I heard Premiers from all parts of the country describe the bleak consequences their provinces face if the federal government pursues its unilateral and arbitrary decision to cut established programs financing transfer payments by about \$6 billion during the next five years. There was general support for the federal

government's goal of reducing its deficit, but there was considerable opposition to the notion of doing that by cutting back on classrooms and hospital beds.

Ontario will stress that point again when the finance ministers meet on December 12, and I can assure this House we will not be alone. It is my hope some accommodation will be reached and that we will continue to work towards that goal.

Nor are we alone in our concerns regarding the course of any negotiations towards a trade agreement with the United States. We pointed out that Canada had to develop a negotiating position that took into account the needs and desires of all regions. We pointed out the need to develop a common base of information in order to build a common basis for negotiation. We pointed out the need to put our own house in order, to knock down trade walls inside this country.

Other provinces shared those views. That is why we sought and obtained a full partnership in any negotiations. We will pool our research on the potential impact that freer trade may have on thousands of Canadians who earn their living in sensitive industries. The negotiator will receive his mandate and ongoing instructions from the first ministers.

Aux négociations sur le commerce, le Canada ne fera entendre qu'une seule voix au nom de tous les Canadiens. C'est là le résultat le plus important de la conférence.

During the next 90 days, the federal government and the provinces must work out exactly what that voice is going to say. We must decide what we want to get and what we are prepared to give up. We must move from general principles to specific proposals.

From Ontario's point of view, many of the principles of a sound and coherent negotiating position can be found in the interim report of the Legislature's select committee on economic affairs. After more than three months of hearings, the committee laid down guidelines it would be wise to follow in defining a position that serves and protects our interests.

In our view, the prime objective of trade talks must be to secure our access to the United States

market. More than 90 per cent of Ontario's exports go to the United States and they are responsible for almost one million jobs in our province. Our trading relationship with the United States is important and must be protected, but we have other needs that are at least as important and must also be protected.

Nous devons protéger les réalités qui nous définissent en tant que Canadiens.

At the top of that list we must put the measures that reduce regional disparities, meet our people's basic social needs and preserve our cultural and communications industries. We must maintain our ability to publish books and magazines, produce records and films and create television and radio programs that help us define our hopes, our dreams and our way of seeing ourselves and the world. We cannot trade away Canada's heart and soul.

We must also maintain our ability to pursue an independent exchange and interest rate policy. Those economic tools are too important to let slip out of our hands. Certainly, we must preserve the auto pact protection for our parts industry and programs that support our agricultural industry.

During the next three months and beyond, we will seek the advice and counsel of this assembly, and especially its economic affairs committee, in further defining what should be put on the table and what should be kept off it. We are eager to help shape a national policy and we are determined to share in a national partnership.

[Later]

**Mr. Grossman:** Mr. Speaker, with your indulgence, before posing the first question I will pause for a moment to say the official opposition supports and encourages the efforts undertaken by the Premier (Mr. Peterson) and the government at the conference in Halifax to ensure a fair deal for Ontario in both fair and free trade and on the established programs financing question.

Of course, I remind the Premier, and I know he would want me to remind him—

**Mr. McClellan:** Stop the clock for this ministerial statement.

**Mr. Grossman:** The clock has stopped.

I know the Premier would want to remind the House that in carrying forward those battles in as articulate a way as he did, he was carrying on an important tradition on behalf of governments of this province in fighting for a fair recognition for Ontario both on transfer payments and with respect to trading relationships.

That tradition has required a great amount of tact and measure from time to time. While we on this side of the House caution the Premier with

regard to the need to take note of that tact and measure, none the less we have no difficulty in supporting and sharing the concerns he so forcefully and articulately expressed.

## EMPLOYEE HEALTH AND SAFETY

**Hon. Mr. Wrye:** Two years ago an order in council established the Ontario task force on health and safety in agriculture. Jointly managed and funded by the Ministry of Agriculture and Food and the Ministry of Labour, the task force had as a mandate "to investigate and report on the need for protection of the health and safety of farmers, farm workers and members of farm families engaged in farm work."

Today I wish to table the report of the task force. In doing so, I acknowledge with thanks the role played by the staff of the Ministry of Agriculture and Food, who assisted my officials in facilitating and supporting the work of the task force. Special thanks are due to the chairman, Dr. Rick Richards, whose diligence and commitment are reflected in the final product, to his colleagues and, not least of all, to John Kinley of my ministry, who acted as principal research and administrative officer to the task force.

The report's 52 recommendations are the product of a great deal of work by a team of four farmers and two farm workers led by Dr. Richards. They have not only drawn extensively on the available scientific and other literature pertaining to their task, but have also conducted public hearings in 11 centres throughout Ontario. In the process, they have benefited from 20 oral and 76 written briefs submitted by the major farm organizations, government agencies, chemical manufacturing associations, safety associations and, most important, individual farmers and farm workers.

Agricultural work is one of this province's most deadly occupations. Fatality rates in farm work are roughly in the same range as those in the mining industry and are substantially higher than those in construction.

**2:10 p.m.**

The task force has made specific recommendations that call for the mandated installation and use of safety devices on farm machinery and equipment—for example, rollover protection on tractors, safety cutoff switches and automatic beepers on self-propelled equipment. They call for the enclosure of surface-level manure lagoons and tanks by child-proof fencing, for safety cages on exposed silo ladders, for the mandatory use of protective equipment when handling pesticides, for minimum re-entry times following applica-



tion of pesticides to crops and for provision of adequate washup and toilet facilities for workers.

The report tells us that reliable data for farm-work illness and injury are not available. This is because the province does not yet have a system that records all the lost-time work injuries and illnesses experienced by people in farm work. I am concerned about that, particularly in view of the large volume and wide variety of agricultural chemicals in use today.

Nevertheless, information available to the task force shows that between 1973 and 1983 the agricultural industry moved from seventh to fifth place among 10 major industry divisions in its number and frequency of lost-time injuries and illness. Furthermore, the report clearly implies that these data most probably severely understate the seriousness of the problem.

The task force has recommended that survey work be undertaken to document health and safety experience by farmers, farm family workers and hired farm workers. It recommends also that a health data collection system be established to allow analysis of adverse effects experienced by farmers and farm workers.

The task force has identified the need to provide more information to help farmers and farm workers better understand the hazards to health and safety associated with the use of contemporary farm equipment, chemicals and machinery.

Whether measured in terms of human suffering or in economic losses, the situation revealed by the task force demands urgent attention, careful scrutiny and decisive action. Yet, in saying this, I am fully aware that agriculture is not just another industry. It is unique. It has special problems and challenges which may preclude the application of solutions identical to those used in manufacturing, mining, forestry and the construction industry.

The report is a significant document. In tabling it, I want to assure members and the Ontario farm industry, employees and employers alike, that it will receive immediate and careful study so that we can move together as expeditiously as possible to make farming the safe and healthy occupation it must be.

#### COMMERCIAL LIABILITY INSURANCE

**Hon. Mr. Kwinter:** I am sure the members of this House are aware of an increasing concern with respect to the availability and affordability of commercial liability insurance. In this respect, Ontario's insurance industry does not operate in isolation from the rest of the world. Insurance is

an international system and, as such, the situation we are facing today is one of international dimensions. Indeed, I understand congressional hearings into insurance coverage currently are under way in the United States.

While the current insurance problems are international in scope, fortunately, we in Ontario have such backup safety nets as the Facility Association, through which the availability of automobile insurance is guaranteed. The Facility Association in Ontario is a nonprofit organization whose members comprise the 154 licensed automobile insurers. By spreading the risk throughout the automobile insurance industry, the Facility Association is able to provide insurance for anyone who cannot obtain it elsewhere. Those who cannot obtain insurance through normal channels may do so through the Facility Association to the level of mandatory limits, albeit at generally higher rates.

Nevertheless, we must still deal with the current pervasive problem concerning the affordability of general commercial liability insurance and specific availability problems in certain industries, such as the trucking business, where the situation has been been accentuated by recent events concerning United Canada Insurance Co.

The majority of United Canada's business is in commercial automobile insurance. Needless to say, the company's problems have created a crisis for some members of the Ontario trucking industry—an industry vital to the economic wellbeing of Ontario. Recently, the parent company and principal reinsurer of United Canada Insurance, the Carriers Insurance Co. of Des Moines, Iowa, has come under the supervision of the Iowa Insurance Commissioners. Subsequently, on November 14, Canada's federal department of insurance took control of the assets of the Canadian company.

We have been advised by the federal department of insurance that the Canadian company appears to be solvent and serious negotiations for its sale are ongoing. In the meantime, federal control will continue and the company is not to write any new business or renew existing business.

The reported negotiations for the sale of the company are encouraging, but this insurer undoubtedly must be further capitalized with appropriate reinsurance before it can resume its normal position in the marketplace.

In response to these serious problems, my ministry has held a series of meetings with primary insurers, reinsurers, the Insurance Bureau of Canada, the Facility Association of

Ontario, the Ontario Trucking Association and the Ontario Motor Coach Association. As well, I have met with the Honourable Barbara McDougall, federal Minister of State for Finance, to discuss the present situation.

As a result of these meetings, I am pleased to announce today that the insurance industry has responded to the current crisis. Through the Facility Association, insurance will be available to all truckers.

The Facility Association will continue to provide insurance to the mandatory limits applicable to all Ontario truckers who have difficulties in the regular insurance market. In addition, the association has gone so far as to recognize and meet the problems faced by Ontario long-distance carriers that transport to and from the United States. These carriers must meet the US regulated insurance requirements, in some cases as much as \$5 million insurance. To meet the need, the Facility Association has agreed to increase their limit where required.

The Facility Association has given us time to seek long-term solutions to the issue of availability and, as well, to the problem of affordability. There is no question that premiums are going to increase to reflect such factors as dramatically increasing liability claims and court awards.

Ministry staff in the office of the superintendent of insurance will begin immediately to hold meetings with representatives from the insurance and reinsurance industry and users to study all factors, international and otherwise, affecting general commercial liability insurance. This study group will focus on the real problem underlying the issue and will recommend a long-term approach and solution to this troublesome question. In addition, an interministerial committee has been formed that will also be meeting immediately to discuss the situation.

All this action is intended to maintain Ontario's leadership in the insurance industry. I want to emphasize that notwithstanding any of these current problems, the Ontario insurance industry remains strong. Clearly, adequately available and affordable general commercial liability insurance is in everyone's best interests. I am confident that if we work together, we will find a mutually agreeable long-term solution to this international problem.

2:20 p.m.

### ORAL QUESTIONS

#### DE HAVILLAND AIRCRAFT OF CANADA LTD.

**Mr. Grossman:** On the subject of articulating Ontario's concerns well and forcefully, I have a

question for the Minister of Industry, Trade and Technology. Will the minister tell the House specifically what direct involvement he personally has had in the discussions leading up to this afternoon's announcement with regard to the future of de Havilland Aircraft of Canada Ltd.?

**Hon. Mr. O'Neil:** First, I would like to quote from a letter that was mailed on August 16 to the Prime Minister of Canada by the Premier (Mr. Peterson). In that letter, the Premier mentioned the four major factors he wanted the government of Canada to consider in any sale of de Havilland. Those four were preservation or expansion of employment levels at the Downsview plant; preservation or expansion of existing engineering, design or research and development staff and operations, which are essential to the long-term development of a Canadian aerospace industry; maintenance of an integrated airframe manufacturing and assembly operation, which provides superior benefits to a parts production facility; and the benefit of retaining Canadian interest in a company, preferably Canadian-controlled.

I understand an announcement will be made this afternoon at 3:30 by Mr. de Cotret. I talked to him on Friday and again at noon today. I understand the terms of that agreement are being sent to us by courier, and we should have them later this afternoon.

**Mr. Grossman:** With respect, the question to the Minister of Industry, Trade and Technology related to what he had done to ensure that the kinds of concerns expressed by the Premier in his letter had been met. May I therefore ask the minister once again to address the question with regard to those four concerns: the Downsview plant, research and development, the need to maintain an airframe assembly plant and Canadian control.

Can the minister tell us what Canadian firms he specifically contacted with regard to assisting them in purchasing de Havilland, and what terms he might have offered them, consistent with the kind of terms the previous government offered White Farm Manufacturing and Massey-Ferguson in similar circumstances? What specifically has the minister done, and which Canadian firms did he contact?

**Hon. Mr. O'Neil:** As the Leader of the Opposition is aware, the company is owned by the federal government and the decision will be made by it. We had some concern expressed to us on several occasions that particular offers were not given the attention they should have been.



I personally met with representatives of Rimgate Holdings Ltd. Ministry staff have spoken to them several times. They also met with the Premier. I spoke to the Honourable Sinclair Stevens to make sure their bid got consideration, which I understand it did. I have not seen the full details yet, but I hope to do so later this afternoon. As the honourable member knows, that company is owned by the federal government and the decision is being made by it.

**Mr. McClellan:** What on earth does the minister mean when he says he will be informed by courier later today about details of the sale? Does he not remember the statement the Premier made in the House on November 25: "We have been assured a deal has not been made and we will be given a chance to look at that before it is consummated"? Is the minister telling us he does not know the details of the sale and that, contrary to the Premier's pie-in-the-sky expectations, the federal government did not share the details of the sale with him before it was concluded?

**Hon. Mr. O'Neil:** Part of that letter from the Premier to the Prime Minister on August 16 stated: "Once final bids have been entertained, Ontario seeks an opportunity to review these submissions in conjunction with CDIC and provide comments and recommendations from the provincial perspective, while recognizing the ultimate responsibility of the government of Canada."

Our ministry has been in touch with the federal government many times. Those details were not shared with us. On Friday afternoon, I asked Mr. de Cotret for some of those, and some of the minor details were shared with me, but I am not at liberty to release those until he does so this afternoon.

**Mr. Grossman:** Does the minister mean to tell this House that through all this saga and the federal government's first declared intention a year and a half ago to sell de Havilland, to date he has spoken to one company about assisting it in purchasing de Havilland in Canada, and that one company was not identified, at his instigation, but is the one that expressed its own interest and that, other than speaking to that one company, he has done absolutely nothing to ensure that ownership stays in Canada?

**Hon. Mr. O'Neil:** I do not really believe the Leader of the Opposition was listening to the answer I gave. I said I met personally with one of the companies. Our ministry staff have been in touch with different companies about details of what they had asked for in the considerations. As I mentioned to the minister, I have spoken to

Sinclair Stevens on at least two occasions. The Premier has talked with the one company. Ministry staff, as the member knows, have been very involved. Again, however, the decision is up to the federal government, which owns it. He should know that.

## PENSION FUNDS

**Mr. Grossman:** My second question is for the Treasurer and it relates to the Ontario Loan Act. I know the Treasurer will remember, as fondly as I do, the number of times the then Leader of the Opposition complained bitterly about the fact that the government of Ontario was borrowing from captive pension funds. In fact, I have his words here. He complains that because of our borrowing, the Canada pension plan will be bankrupt in the year 2003. There it is on page 346.

In view of the fact that the now Premier (Mr. Peterson) has taken the position that the province should not borrow in such amounts from the Canada pension plan, can he tell us why he intends to move away from the public capital markets to the "captive pension funds," in this case CPP, for \$1.1 billion?

**Hon. Mr. Nixon:** Mr. Speaker, you and the former Treasurer are aware that the premiums paid by the residents of Ontario to the Canada pension plan are available for the province to borrow. This is an agreement established, I believe, when Mr. Robarts was Prime Minister of Ontario, as we called him then, and L. B. Pearson headed the government of Canada.

Since that time, the borrowing of these premiums by the province has gone into many capital programs and has become more and more the basis for the borrowing of this province for its own use, not necessarily for Ontario Hydro. I believe that in the past two years the pool of premiums has grown at such a rate that Ontario's share was passed on, at least to some extent, to Ontario Hydro as well, since it was a source of readily available capital for that purpose.

I believe the comment made by the present Premier, then the Leader of the Opposition, was that the policies of the then government were such that it would be difficult or impossible for the government of the day to pay back those commitments and that in fact they would never be paid back.

I do not believe that is characteristic of the policies of the present government. Those dollars are available for us to borrow; they are a part of the basis of the Confederation of Canada. In my view, the House would be unwise indeed if it did

not give me as Treasurer the right to undertake that borrowing as it becomes necessary during the next year to 18 months, and I look forward to an opportunity to debate the matter when it is called for discussion at eight o'clock tonight.

**Mr. Grossman:** I enjoy the analysis that, for the current government, borrowing \$2.2 billion is not as dangerous as borrowing \$1.7 billion, which was the amount the previous government had to borrow.

None the less, I want to refer the Treasurer in my supplementary to the words of the then Leader of the Opposition, now the Premier, who said, "I refer the Treasurer to another part of the study from the economic council that says the provinces can repay the CPP debt only with increased taxes or new borrowing."

The then Leader of the Opposition went on to ask the then Treasurer which one it was going to be, increased taxes or increased borrowing, to pay the debt that was being incurred. Can the Treasurer answer the same question? Will it be increased taxes or increased borrowing?

**2:30 p.m.**

**Hon. Mr. Nixon:** I am sure the honourable member knows that as this borrowing comes due or is rolled over, in the ordinary course of events, there will be no difficulty whatsoever. He will also be aware, probably having been a part of the negotiations in his former capacity, that the provinces and the government of Canada are giving serious consideration to changes in the Canada pension plan program on the side of contributions.

One of the proposals is that the contributions be increased by 0.15 per cent on a regular basis over a period of time. This is not requested by Ontario, but is seen as necessary by the actuaries to complete the confidence that would be necessary for the payout of the various funds from the Canada pension plan in the future. It is not set in stone; we feel it could be improved by way of the programs covered by the Canada pension plan.

**Mr. Davis:** Answer the question.

**Hon. Mr. Nixon:** Since the honourable member tells me I am not answering the question, I will be glad to resume my seat.

**Mr. Grossman:** I should say to my colleagues, the Treasurer did answer the question. He said increased CPP contributions were going to be made and the government intended to draw them all down in increased borrowing.

Is it not true that the Treasurer has decided to resort to borrowing more from the precise source

the Premier decried a year ago? He has shifted to the CPP simply because he has lost the triple-A credit rating and decided therefore that to protect the interest rate he had to pay, he had to get out of those markets and into the captive private pension plan. That is precisely what he has done.

**Hon. Mr. Nixon:** The member will know that Ontario has made a habit of going into the public market for some considerable time. I do not see the point in doing that if Canada pension plan funds are available and a part of the orderly borrowing program of Ontario.

He will further know that the only reason the cash requirements were larger than last year's—for ordinary account they were lower than last year's—was the necessity for us to meet the commitments made by the previous government, most specifically by the former Treasurer. The cash requirements were larger to pay off our commitments to Suncor and certain other materials ordered by the government but not paid for, or the payment arranged for, by them. We had to pick up the responsibilities of our predecessors, and that is our responsibility in the democratic process.

#### DE HAVILLAND AIRCRAFT OF CANADA LTD.

**Mr. McClellan:** I have a question for the Premier about the sale of de Havilland Aircraft of Canada Ltd., which is undoubtedly the biggest sellout of a key sector of the Canadian economy in our history. I am sure the Premier is aware even now of the details of the sale. The sale price is in the vicinity of \$160 million, \$90 million up front. Boeing will get credit towards the purchase price for additional investments it makes in the plant, and there are no job guarantees in this deal.

What action is the Premier going to take to prevent this sale, which rips off taxpayers, which does not guarantee jobs and which guarantees simply that Canadians will lose control of our aerospace industry?

**Hon. Mr. Peterson:** I do not think there is any specific action I can take one way or the other. It is a company that is owned by the federal government, and presumably it has looked at the options and made a decision. I know generally some of the details, but not specifically.

My honourable colleague told the House about some of the concerns that I did share with the Prime Minister some time ago. We wanted to be assured that all the potential purchasers had a fair shot at the deal. I was concerned, as I am sure the honourable member was at the time, about seeing



a company such as de Havilland going into foreign hands. It appears that is the case today.

I am not in a position to comment on the price. The member mentioned a price of \$165 million, I believe—\$160 million or \$165 million, in that range—but I have heard also other numbers such as \$90 million, with certain paper to flow after the fact. I do not know the details on job guarantees; we have not seen them. The federal minister has told our minister that he will courier the specific contracts today. I believe it is specific contracts; it is specific information. We were advised of the details of the deal in general terms.

The member has raised a number of legitimate concerns. The taxpayers of this country have put three quarters of a billion dollars into that company over the past four or five years; my memory could be out a little on that. It appears they now have a proprietary technology that is world-class. I am under the impression that de Havilland now has a world product mandate for Boeing and perhaps can use some of its marketing strengths to penetrate worldwide. However, I cannot make a competent judgement in the absence of the details, and I do not have them.

**Mr. McClellan:** The reality is that this company is being literally given away with no guarantees of jobs, no guarantees that research and development will stay at the company and no guarantees that de Havilland will not simply turn into a spare parts manufacturer for the American parent in Seattle.

Surely the Premier can exercise his authority and responsibility by trying to stop the sale, by reconsidering his position not to take an equity position in de Havilland and by making a counterproposal to the federal government while there is still time, if there is still time, to purchase the firm, keep it in Ontario, keep the jobs here and keep the aerospace industry here before that all goes down the drain in exactly the same way the last federal Conservative government sent the Avro Arrow down the drain.

**Hon. Mr. Peterson:** Let me be very frank. There are no assurances that the Ontario government could run the firm any better than the federal government ran it. These things can end up costing and costing. If the member wants an example of government incompetence, he should look at Suncor; we have lost hundreds of millions of dollars on that.

That being said, the member makes a legitimate point with respect to jobs and research and development here in Ontario. I told him before

that we rejected the option of taking an equity position. I can show him other examples. He can look at our equity position in Massey-Ferguson today; those chaps participated in that. These examples end up being embarrassments to the taxpayers of Ontario. There is no guarantee we can run them any better.

There are occasions when government support or help is called for; for example, if we can ultimately put them back into the private sector. There is no question I would have preferred a Canadian purchase. We are going to look at the contracts very carefully with respect to job guarantees and research and development in Ontario. That is our number one concern.

**Mr. Grossman:** I remind the Premier that he has become very good at expressing concern about some of these things but less good at actually taking action. I refer to the comments of the now Treasurer (Mr. Nixon) on the Massey-Ferguson circumstance, which the Premier just described as a disaster and a mistake. Today it is not an embarrassment but is employing many people in Brant county and Brantford.

Let me read these words as part of the question, "Mr. Speaker...will he come up with" a package "that will emphasize not only the Canadian content but also the Canadian ownership of our manufacturing enterprises so that his colleague the Minister of Industry and Trade will leave off his consideration to allow the sale of White Farm Equipment in Brantford to American interests?"

That concern was expressed by the now Treasurer. That is exactly the concern being expressed here. It is not, as the Minister of Industry, Trade and Technology (Mr. O'Neil) suggests, adequate enough to point out that someone else makes the decision. Someone else made the decision at Massey, someone else made the decision at White and someone else made the decision at Chrysler.

**Mr. Speaker:** Supplementary question, please.

**Mr. Grossman:** The question we have put to the Premier is, what has he done and what is he prepared to do, other than express concern, to make sure the concerns expressed with White and Massey are equally expressed with de Havilland? What is he doing about the jobs?

2:40 p.m.

**Hon. Mr. Peterson:** My friend is extolling the virtue of his government's decision with respect to Massey. I turned to my colleague the Treasurer and he said there are perhaps a handful of people

working today in the office of Massey in Brantford.

**Mr. Grossman:** He sure supported it when it happened. He was second in line.

**Hon. Mr. Peterson:** That is what happened. We now have a number of problems there which we are in the process of trying to work at and clean up. We spend all our time dealing with messes the former government created; that is the reality. I see no—

**Mr. Grossman:** Ask him whether he supported it.

**Hon. Mr. Peterson:** The member would know better than anybody about the messes they created.

**Mr. Speaker:** Order. Please disregard the interjections and answer the question.

**Miss Stephenson:** He cannot get away with that kind of garbage.

**Hon. Mr. Peterson:** I am glad my colleague the member for York Mills (Miss Stephenson) is alive and well. We missed her smiling face.

I am not sure what my honourable colleague is urging me to do. Is he urging me to buy de Havilland? His view is that we should just do something. He does not care what.

I would have thought he would stand up and, with the generous spirit he has recently exhibited in this House—I see he has eschewed being fierce and is now going to be generous and kind; I appreciate that—say he agreed with what we did because he was the one who said we should not buy de Havilland. It was his colleague the former Premier who said we should have bought de Havilland. The member is telling me not to. I would have expected the same kind of support here on this matter. He should admit we are doing the right thing.

**Mr. Mackenzie:** The Premier's position seems to be less tough than that of his colleague Mr. Kaplan. With about \$1 billion on the order books of this company now and 3,400 jobs very much on the line, why would he not reconsider his position? Why would he not follow through on what I thought was his position during the election, that a takeover of a Canadian company would not be allowed if it would not guarantee jobs?

**Hon. Mr. Peterson:** I do not know all the details on the job guarantees. That is something we want to see. We will look at it this afternoon. Perhaps the honourable member has some information that a substantial number of jobs are going to be lost. I hope that is not the case. Those

concerns have been registered very strongly with the federal government.

I remind my colleague that I do not have the power to dispose of those assets. I doubt we could pass a law in this Legislature to prevent the sale even if we wanted to. It is theirs to sell, not ours. I would like to use the good offices of the member and the worthy members opposite to express those concerns to the government in Ottawa which has made the decision, rightly or wrongly. They have dealt with the problem as they saw best in the circumstances. We all can look at the deal they have made and feel quite free to criticize it if we disagree with the consequences. I do not think it is constructive for Ontario at this point to get into the aircraft manufacturing business.

#### WELFARE PAYMENTS

**Mr. R. F. Johnston:** I have a question for the Minister of Community and Social Services about his Christmas coat program for family benefits children.

The minister may recall that the day after the budget was brought down I asked him, through the Premier, to please increase the program to cover the children of welfare families as well. Is the minister not aware that welfare is no longer a short-term program? Compared with three years ago when the average stay on welfare was 10 weeks, according to his ministry, it is now averaging seven months. They are often people who go on to family benefits later. The administrator in Waterloo tells me the average time there is five to six months. In Niagara Falls and Hamilton the administrators say the length of time on welfare is increasing month by month.

Will the minister not reconsider his position and extend the Christmas coat bonanza to the 60,000 children of welfare families in the province?

**Hon. Mr. Sweeney:** Clearly, the distinction is between family benefits, a long-term program averaging four years, and general welfare, a short-term program averaging from three to seven months, depending on the needs of the recipients. That was taken into consideration with the budget. While we put on the \$80, once-a-year benefit for people on family benefits, we put a \$50-a-month additional benefit on general welfare families. That provides considerably more dollars to those families than the \$80 once a year would. For single parents who are waiting to go on family benefits, again we are talking of a short term, once they are on family



benefits they will get that benefit in subsequent years as well.

**Mr. R. F. Johnston:** I would say to the minister he should not be called Scrooge at this time of the year, especially with this questionable tactic about how to increase the money for people on family benefits which he has indicated is in part to make up for the deficiencies there.

How is he going to talk to families who are on welfare for long lengths of time, such as Michael Delaney in St. Catharines, who has been on welfare for a year and a half, and explain to him that his son Sean should not be eligible for this program, or Miss Waite in my riding, who has three children and is on welfare and because of messups in his ministry since last April is not eligible for this program? These people, as the minister knows, are receiving much less in total than people—

**Mr. Speaker:** Order. The question has been asked.

**Hon. Mr. Sweeney:** I recall that when the \$80 allowance was announced the same member who is raising the question was somewhat critical because we did not give a sum of money to the recipients to do with as they please. I would repeat that the \$50-a-month increase per family goes to general welfare families only. That more than offsets the \$80 given once a year.

The second point I would make is that families on general welfare also have access to a supplementary benefit through the municipality in which they live, and this ministry shares the cost of that. Ottawa, for example, has had that kind of a supplementary benefit for its recipients for quite a long time.

**Mr. Cousens:** The inequity still remains and there are still children on welfare who are not getting help. Here is an example. What can the minister do to help Marie Schwarz, who has two boys aged six and nine, and has been told by the office of social services that her general welfare status means she cannot get the allowance? Her children desperately need winter clothing. Where is the fairness in his statement and what is he going to do about it?

**Hon. Mr. Sweeney:** As I indicated earlier, a family such as that has the right to apply for transfer from general welfare to family benefits. If they do so, not only will they get a higher amount, but they will also become eligible for this benefit in subsequent years.

**Mr. R. F. Johnston:** Mr. Speaker, as you know, I have a heart condition, and I am a little worried that I am seeing a reincarnation of Frank

Drea across the way, and you know how I often reacted to that. It is not very good for my blood pressure.

Does the minister not know—and he should know—that a family of three on family benefits receives more in total than the family of four on welfare? He should not mess around with figures about his \$50 increase which happens to raise the amount of money for shelter allowance slightly above the amount for people on family benefits. The total amount is much less.

We are talking about 60,000 children. The total cost to the ministry would be less than \$5 million. Why will he not come through with that money this Christmas for those children, as he has done for other children on family benefits? Please reconsider.

2:50 p.m.

**Hon. Mr. Sweeney:** I would remind my friend that the total allocation in this year's budget is 33 per cent higher than it was a year ago. That is a significant increase. I would also remind him that in addition to the \$80 per family on family benefits, in addition to the \$50 per family on general welfare, there was a \$40 increase in rental subsidy for families, there was a \$25 increase per child for families who have handicapped children, and there was a four per cent increase for every child in every family. That is a significant increase and it was distributed across the board to meet the needs of all those people in our society who are recipients.

#### PCBs IN FOOD

**Ms. Fish:** I have a question for the Minister of Agriculture and Food, if he would like to put his newspaper clipping down.

The minister is no doubt aware of the recent Environment Canada study that indicated alarmingly high concentrations of polychlorinated biphenyls in the so-called high-energy foods, the foods his ministry encourages us to eat to stay healthy, including fruits, vegetables, grains, dairy products, poultry and meats.

Can the minister confirm that his own quality and standards division, which has the mandate to test foodstuffs in Ontario for possible toxic contaminants, has found similarly high concentrations of PCBs in Ontario foodstuffs?

**Hon. Mr. Riddell:** We do not question Dr. Hallett's findings that many of the foods available in Ontario contain PCBs. The question is, how significant are the levels. It is my understanding that there are no government standards for PCB levels in human blood or human tissue, so the levels the member is looking

at are the levels that were contained in this newspaper article, which I happened to be reading when she got up to ask her question.

The monitoring of raw milk for PCBs is being done by tanker loads across the entire province during a 12-month period that began in May 1985, so we are testing milk. The Niagara Peninsula and northwestern Ontario were the first regions to be analysed, followed by central and eastern Ontario. To date, 320 tanker loads of milk have been analysed, with no samples exceeding the federal health protection branch guideline of 0.2 parts per million.

The ministry also took action this fall to investigate PCB contamination in Ontario fruit, something we did on our own initiative. Apples were selected for the testing, since they are harvested late in the year and therefore have the greatest exposure period. I am pleased to report that none of the 30 samples of Ontario apples contained PCBs at the detection level.

So we are monitoring food, we have pesticides labs, and any time we receive complaints, or we feel we should be testing on our own initiative, we will continue to do so.

**Ms. Fish:** The minister's near seatmate, the Minister of the Environment (Mr. Bradley), has gone on public record on any number of occasions as indicating that the extreme hazard posed by PCBs suggests that any level of PCB contamination consumed by humans is extremely hazardous and not to be tolerated.

However, in the light of the government's rather speedy action to withdraw from sale in this province certain wines and spirits that had traces of ethyl carbamate—certain foodstuffs, wines and spirits, I might note, that are for occasional adult consumption—and since the minister is not in any way challenging the Environment Canada findings, which, among other things, suggest that the concentrations of PCBs can lead to mental retardation, cancer, liver problems and a variety of other disorders, can the minister tell this House what his government is doing to ensure that the children of this province are not being slowly poisoned by the consumption of possible PCB contaminants in Ontario foodstuffs?

**Hon. Mr. Riddell:** Let me tell the honourable member that this government has been working overtime to atone for the sins of the previous administration.

Interjections.

**Mr. Speaker:** Order.

**Hon. Mr. Riddell:** This government acted quickly on the spills bill, something the people over there did not do for six or seven years.

Interjections.

**Mr. Speaker:** Order. If the minister wants to point, maybe he would point his comments through the Speaker. Is there anything further or not?

**Hon. Mr. Riddell:** The member is so much better looking than you are, Mr. Speaker.

Interjections.

**Hon. Mr. Riddell:** I do not know whether the member is suggesting that I pull all the food off the grocery shelves. The fact of the matter is, as she well knows, there are PCBs in the environment, a mess created by the former administration which this government is striving to clean up. I can assure her that the foods have not reached those PCB levels which are all that hazardous to people eating the food, but we will continue—

**Ms. Fish:** No, they are just sort of hazardous. Does the minister challenge the Environment Canada study results? He should table his findings.

**Hon. Mr. Riddell:** The member does not even know what the government levels are. There are no government levels at this point for human blood or tissue. The food does not contain those amounts of PCBs—

**Mr. Speaker:** Order. We are getting into a shouting match here.

**Mrs. Grier:** The minister appears to be emphatic about the fact that there are no government levels for these things. Can he tell us how quickly he intends to move to establish levels so that we are not faced with this problem?

**Hon. Mr. Riddell:** Just as quickly as I can get on the telephone to call my counterparts in Ottawa, because it is a federal matter.

[Later]

**Ms. Fish:** I would like to return to the subject I debated with the Minister of Agriculture and Food just a few short moments ago on polychlorinated biphenyl concentrations.

The minister indicated, on the one hand, that neither he nor his officials in any way dispute the Environment Canada study results that indicate alarmingly high concentrations of PCBs in the so-called, high-energy foods. The minister then went on to indicate that his quality and standards division regularly monitors fruits, vegetables, grain, dairy products, poultry and meat.

Will the minister table the results of that monitoring and indicate to this House the degree to which his officials either support the Environment Canada findings or disagree with them?



**Hon. Mr. Riddell:** I indicated we had monitored milk and fruit. I do not see any reason why we cannot make that report available.

However, since man must eat to survive, we must during the next generation reduce our exposure to toxics in the environment, something we did not create but which we feel we are taking sufficient action to reduce.

I can mention several initiatives we have taken. I refer to regulation 309, the spills bill, the efforts of the Ontario Waste Management Corp., the mobile PCB incinerators, enhancing abatement and enforcement staff near the Niagara and St. Clair rivers, the proposed, Peterson-Blanchard, Ontario-Michigan accord on the common connecting channels of Lake St. Clair and the St. Mary's, St. Clair and Detroit rivers.

These are all things we have done in four months, and those people over there could not do them in 42 years. The member should not talk to me about the problems we have in the environment of this province.

**Ms. Fish:** Allow me to assure the minister that I most certainly will speak to him about the areas under his responsibility as Minister of Agriculture and Food, even though he has been pleased to provide answers for his colleague the Minister of the Environment. I would specifically like to speak with him about the agricultural laboratory services branch, which is in his ministry, not his colleague's—

**Mr. Speaker:** Would you speak to him by way of a question?

**Ms. Fish:** —specifically, the responsibility of that branch to analyse for pesticides, industrial organics, toxic metals, and to check for food quality and composition. I note again that the high-energy foods found by Environment Canada—

**Mr. Speaker:** Does the minister agree?

**Ms. Fish:** —to have hazardous concentrations of PCBs go far beyond apples and milk. They include all fruit, vegetables, grain, poultry and meat.

**Mr. Speaker:** Order. Does the member have a question?

**Ms. Fish:** If the minister does not dispute Environment Canada's findings of highly hazardous concentrations of PCBs available to the children of this province in Ontario foodstuffs, then what is he going to do about the serious problem of consuming deadly and hazardous amounts of PCBs in foodstuffs on our shelves?

**Hon. Mr. Riddell:** I do not know what more I can say than what I have already said. We are

monitoring and testing the various foods and will continue to do so. We feel the federal government should take the lead in establishing standards. If the Tory government in Ottawa is not prepared to do it, then once again we will take the lead.

#### NURSING HOME CARE

**Mr. D. S. Cooke:** My question is to the Minister of Health regarding Beacon Hill Lodge in Windsor. Specifically, it regards a former resident of the nursing home, Catherine Wright, who died last week at age 97.

Will the minister make himself aware of the fact that this woman, when visited on November 17 by her granddaughter, was complaining about pain in her shoulder and arm and when she was taken to hospital that day, it was discovered that she had actually broken her arm three days before?

She was taken back to Beacon Hill Lodge and later that night was re-admitted to the hospital. It was discovered that she also had a broken hip. She had been diagnosed by the home doctor the Thursday prior to Sunday, November 17, as having arthritis. Is it not time there were amendments to the Nursing Homes Act and the regulations so that people like Catherine Wright need not die the way she died in the city of Windsor?

**Hon. Mr. Elston:** I will familiarize myself with the problem of Catherine Wright. I can assure the honourable member, as I have in the past few days, that we have been moving to upgrade the ability of our inspectors to enforce the regulations and we are looking at ways of improving the quality-of-care standards in the home.

With respect to the diagnoses of physicians, I do not know how we can improve upon the diagnostic abilities of the individual. There may be some way in which the member would like to follow up with respect to that part of the complaint.

**Mr. D. S. Cooke:** If the minister understands nursing homes well enough, he will know it is not a matter of diagnosis, it is a matter of not caring. Does the minister understand that this nursing home had 36 charges laid against it by the Ministry of Health, 28 of which have now been dropped as a result of the Elm Tree decision? Some of the charges against this nursing home include things such as inadequate numbers of staff, failure to reassess residents' needs and failure to provide restorative care—all the basic requirements in a nursing home.

3 p.m.

What steps has the minister taken since the court decision to ensure that residents are protected, because Catherine Wright was not protected in the nursing home system of this province?

**Hon. Mr. Elston:** I think the honourable member has alleged that the woman in this case was not properly diagnosed. That certainly was one of his allegations and it is a complaint he can follow up.

In addition, we are taking steps now to ensure that we can enforce the regulations, and we have taken preliminary steps towards amending those regulations. As the member knows and as I have informed this House, we also have appealed the Elm Tree decision in order to get a final adjudication with respect to the enforceability of those regulations. We are following up and taking steps to ensure that the quality of care items in our nursing homes are being addressed and will be addressed very thoroughly.

#### OVERTIME WORKERS

**Mr. Speaker:** The Minister of Labour has a response to a question previously asked.

**Hon. Mr. Wrye:** I note that my friend the member for Sudbury East (Mr. Martel) is not in the House this afternoon. I will hold the answer to his question until he is in the House tomorrow. While I am on my feet, however, I have a brief related matter.

My friend the member for Bellwoods (Mr. McClellan) had a question on Friday last regarding the refusal of the Ministry of Labour to prosecute General Mills Canada, despite repeated violations of the hours of work section of the Employment Standards Act. I want to inform him that the ministry has laid 12 such charges for those violations under the hours of work part of the Employment Standards Act.

**Mr. Mackenzie:** Can the minister tell us when those charges were laid? Is he aware of the procedures that led up to those charges being laid?

**Hon. Mr. Wrye:** Yes. I am told that a lot of this goes back some time, as I am sure my friend knows, as far back as late 1984. When officials in the employment standards branch spoke to that company regarding repeated violations of the blue 100-hour permits, the company promised to abide by the permits at that point. As a result of its apparent failure to abide by those permits, further discussions were held and a decision was made to charge the company.

I believe the recommendation that charges be laid came early last week from Mr. Scott in the employment standards branch. I cannot give the member an exact date, but I believe it was Tuesday or Wednesday last.

**Mr. Gillies:** The minister has again responded with regard to one specific company; however, may we still take the minister at his word that he is going to look at this whole problem across the board? Will he take steps to ensure that full shifts of overtime are not being worked in situations where workers are being laid off or continue to be unemployed?

**Hon. Mr. Wrye:** The short answer is yes. The little longer answer is that I have had some requests from a number of large companies and a couple of automotive companies that are concerned about the matter. I believe I have a meeting scheduled tomorrow with Stelco to discuss these matters.

I believe some fairly reasonable interim measures can be taken over and above the measure I have attempted to indicate to companies, namely, that this government would hope they would cut back their excessive hours in a voluntary way.

These are very complex issues, which we intend to address over the next period of time. We will have to hold discussions not only with the companies themselves, but I am advised that these problems may in some cases involve collective agreements that are in place with many of Ontario's trade unions.

#### GASOLINE PRICES

**Mr. Runciman:** I have a question for the Minister of Consumer and Commercial Relations.

Imperial Oil recently appeared before the Restrictive Trade Practices Commission to outline a proposal for dropping its dealer support system for gas retailing, a move that will hurt the small business people who run Esso stations and also consumers in this province. Will the minister tell us what, if anything, he is doing on behalf of consumers in response to the Imperial Oil proposal?

**Hon. Mr. Kwinter:** The responsibilities of my ministry are for the handling of fuel under the act. Although I have a general interest in the price of gasoline to the consumer, that does not come under my ministry.

**Mr. Runciman:** The minister represents the consumers of this province, and that is where his responsibility lies. Obviously, he is abdicating that responsibility. In the first nine months of this



year, Imperial Oil of Canada has indicated a profit of \$434 million. Its move to drop the dealer-support system means we will probably see the end of gas wars, and the consumer will be left holding the expensive end of the stick again. It is shameful that this minister, supposedly representing the consumer, has done nothing. Will he familiarize himself with the issue and undertake to intervene with the appropriate authorities on behalf of Ontario consumers?

**Hon. Mr. Kwinter:** I will undertake to familiarize myself with the issue.

**Mr. Swart:** Will the minister also give a commitment to investigate whether there was any justification for the recent increase of one and a half cents a litre in the price of gasoline and take what steps he can to ensure that is rolled back?

**Hon. Mr. Kwinter:** I will be pleased to undertake delivering that message.

#### LANDFILL SITES

**Mrs. Grier:** I have a question for the Minister of the Environment. A consolidated hearings board is wrapping up hearings this week into an application by Tricil for an expansion of the hazardous landfill site near Sarnia. In view of the problems of which we have all become aware with hazardous landfill sites, and especially the leaking into the St. Clair River, can the minister tell the House why he has not intervened to request the board to impose the strictest possible engineering controls on the Tricil application?

**Hon. Mr. Bradley:** As the member will be aware, ultimately a decision comes down where the Minister of the Environment and the ministry can have a fairly profound effect on the outcome of a hearing of this kind. We accept the recommendations that are made and then the minister deals with it from that point.

As the member knows, this minister insisted that intervenor funding be provided for those groups opposed to the proposal in order to have as careful a consideration of the case as possible—in other words, to enable the opponents to put forward as strong a case as possible against it, as well as the proponent having the opportunity to present his case.

I, too, am concerned about all of these sites. One of the reasons there is an opportunity to concentrate waste of this kind in an approved site is that over the years so many other sites have been used which should not have been used for dealing with toxic wastes. I assure the member that the ultimate decision will ensure that the very stringent controls she and I seek will be in place.

**Mrs. Grier:** The minister's own staff appeared at the hearing in support of the application; so it is interesting to find that he thinks he is going to change that point of view when it goes to appeal. Is he aware that this site is merely a hole in the ground with no liners and no leachate system? Is that the kind of example the minister wants to set for the private industries in that area which, without having to go through a hearing process, are disposing of hazardous wastes on their own properties?

**Hon. Mr. Bradley:** As I indicated to the member, I would want to ensure that the ultimate decision made in this case is one that would protect not only the people who are adjacent to it, but also those who could be adversely affected by any imperfections there might be in the site and the stipulations that might apply to it.

The member certainly has an assurance from me. With the focus of attention on that area—it should be the case regardless of whether there is a focus of attention, I think she would agree—we want to ensure as a ministry that the ultimate decision is based on the best evidence presented. If the board decides to approve it and puts forward such a recommendation, and if it is actually approved, the conditions laid down should be such that the people in the area and beyond would be protected.

3:10 p.m.

**Ms. Fish:** In view of the problems with such sites in the past, particularly with leachate and travel of hazardous material, and in view of the steadily increasing knowledge we have about the problems of pollution travel and standards associated with them, is it the minister's intention to review all past approvals for hazardous waste and landfill sites, to ensure that any sites previously approved under standards appropriate to the day, would come up to the full standards and requirements that would be applicable in 1985?

**Hon. Mr. Bradley:** I agree with the member that in the past the standards that were considered to be acceptable by her government are not necessarily standards that would be acceptable to the new government. As a result, I want to review, as she has indicated, and as I am in the process of doing on a priority basis, a number of the sites across Ontario to ensure that the health, safety and environment affecting people in and beyond that area are at the levels that I and this government consider to be appropriate.

I should mention as well, while I am addressing the question—

**Mr. Speaker:** Briefly, I hope.

**Hon. Mr. Bradley:** —briefly, that I understand the Ministry of the Environment did not take a pro proposal stand in this case but rather took a neutral stand.

### MULTICULTURAL POLICY

**Hon. Ms. Munro:** I am responding to the question from the member for York West (Mr. Leluk) and the member for Oakwood (Mr. Grande) relating to support for multicultural groups, especially those requiring immigration or immigrant services.

There is a program called the multicultural service program grants, now in its second year of operation, in which we make more than \$2 million in operating funds available to 76 organizations providing services and programs for the multicultural population.

In essence, this is becoming a core funding operation if accessed. Once the program is in operation for three years or more, I am sure we will be able to monitor it.

In addition, with those links in place, we are finding that the multicultural groups, in particular the immigrant services groups, feel much more comfortable in accessing the other contingent programs that link up with that. We feel there is a good flow among the three programs in that area.

**Mr. Leluk:** The minister will recall that during the election campaign a promise was made by her leader to provide core funding to the cultural communities and immigrant groups in this province. When she says they are becoming core funding, is she or is she not going to provide core funding on an annual basis?

**Hon. Ms. Munro:** The member will recognize that the quality of the programs of this government hinges on the fact that we do sufficient research and development to ensure that the process of providing funds meets the needs of the immigrant groups.

I reiterate my statement that in this second year of operation we are confident the process is working out. I wish to assure the member that we are very much aware of the needs of immigrant groups, especially those of immigrant women, and we are working extremely hard to make sure we are in contact with those groups almost every day of the week. I hope this meets with the member's approval.

### FLOODING

**Mr. Hayes:** My question is to the Minister of Natural Resources. In view of the fact that there

was serious flooding last spring on the shores of Lake St. Clair and Lake Erie and that there was also flooding of the people on the shoreline in the Essex county area last week, yesterday and today, what emergency steps has the minister taken to protect the residents who have suffered and are being affected now because of the high water in the Great Lakes?

**Hon. Mr. Kerrio:** We have pointed out that until an emergency has been declared, the high waters in the Great Lakes are the responsibility of individual property owners. Having taken that into account, I remind the member that he knows full well he is going to get our co-operation. He has been invited to visit with us down there. That is the kind of open government he is going to see in the future from over here, namely, being invited to participate in helping us make that decision.

**3:20 p.m.**

We are going down with the Minister of Municipal Affairs (Mr. Grandmaitre), who very properly has a part to play relating to loans that are available to people who have had these kinds of problems. The member can rest assured we will take all the measures we can to alleviate that condition.

### PETITIONS

#### ROMAN CATHOLIC SECONDARY SCHOOLS

**Mr. Baetz:** I have the following petition:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"Whereas any action to extend public funding to separate Roman Catholic secondary schools in Ontario would represent a fundamental change in public policy in our province; and

"Whereas it is uncertain whether extension would contravene the Ontario Human Rights Code and the Canadian Charter of Rights and Freedoms; and

"Whereas in democratic societies there is a recognized convention with respect to the rule of law that before fundamental changes in public policy are implemented such matters are debated in the Legislative Assembly, with an opportunity for the public to appear and be heard before an appropriate committee of the Legislature;

"We petition the Ontario Legislature to call on the government:

"1. to seek a constitutional referral prior to any implementation to determine whether extension would conflict with the Ontario Human Rights



Code and the Canadian Charter of Rights and Freedoms; and

"2. to debate fully the issue of extension prior to any implementation, such debate to include consideration of the issue by an appropriate committee of the House with an opportunity provided for the people to appear and be heard."

This petition is signed by 517 people from the following high schools in Ottawa: Hillcrest High School, Sir John A. Macdonald, Ridgemont High School, Ottawa Technical High School, Laurentian High School, McArthur High School, Champlain, Highland Park High School, Rideau High School, Woodroffe, Lisgar, and Nepean High School.

#### ABORTION CLINIC

**Mr. Jackson:** I have a petition to the Lieutenant Governor in Council protesting the Attorney General's nondecision to close the Morgantaler abortion clinic in Toronto.

#### MOTION

#### COMMITTEE SITTING

Hon. Mr. Nixon moved that the select committee on energy be authorized to meet following routine proceedings on Tuesday, December 3, 1985.

Motion agreed to.

#### INTRODUCTION OF BILL

#### ONTARIO MUNICIPAL RECREATION DIRECTORS FOUNDATION ACT

Mr. Brandt moved, seconded by Miss Stephenson, first reading of Bill Pr40, An Act to incorporate the Ontario Municipal Recreation Directors Foundation.

Motion agreed to.

#### RESPONSE TO PETITION

**Hon. Mr. Nixon:** I would like to table the response to a petition presented to the Legislature, sessional paper 178 [See Hansard for Friday, December 6].

#### ORDERS OF THE DAY

House in committee of supply.

#### ESTIMATES, MINISTRY OF GOVERNMENT SERVICES (continued)

On vote 601, ministry administration program; item 1, main office:

**Mr. Philip:** As I indicated to the minister, I want to deal in some depth with the Provincial

Auditor's report and comments and to ask some questions I have, which the Provincial Auditor may have missed, about the move by the Ministry of Municipal Affairs and Housing to its new location.

The Provincial Auditor has pointed out that instead of inviting public tenders on relocation and consolidation of the Ministry of Municipal Affairs and Housing, the government restricted it to requesting proposals from only two candidates. He claims the total net effect over the term of the lease may exceed market rents by \$10 million to \$13 million.

From everything I can see, that is a very modest evaluation. If we take all the leases, we are probably talking of a total projection of about \$40 million for the next 20 years or so. What justification can this minister give, recognizing this minister was not involved, for not calling public tenders at a time when there were large amounts of vacant office space available in downtown Toronto? It was a buyers' market at this time.

The auditor has recommended that the leasing of office space should be open to tender. I wonder whether this minister will assure the House that in any future moves by the various ministries, the rental of office space will be open to tender in the way the auditor has requested.

I would like to deal with some specifics related to the auditor's report, specifically the ministry's reply. I do not know which documents may have been provided to the minister by the previous government. I suggest that were she to get all the documents, they would confirm my suspicions that the move was not justified and that this ministry, for whatever reason, prepared reports to justify something an objective analysis would show was unnecessary.

The justification at the top of page 75 of the auditor's report deals with this. "First, the client ministry stated a clear requirement of consolidation in one location close to Queen's Park. Even the Bloor Street option would have resulted in the ministry being separated into two buildings."

On the other hand, if we look at a letter dated October 28, 1982, sent to the Minister of Government Services by the then Minister of Municipal Affairs and Housing, the member for Ottawa South (Mr. Bennett), it shows the Ministry of Municipal Affairs and Housing was willing to locate at 55 Bloor Street West with 125,000 square feet and at 77 Bloor Street West. The minister gives reasons why a move in that direction would have been acceptable. It gives those reasons on page 3:

"This option has the following advantages over the MetroPlan proposal. The ministry is in two, not three, buildings. The total accommodation cost is lower. Corporate objectives are better met. The minister's office is with the rest of the ministry. The accommodation is vastly superior, and 55 Bloor is available sooner allowing us to vacate the Mowat, Hearst and 56 Wellesley locations earlier."

**3:30 p.m.**

What is relevant in this letter is the last sentence—not the one that says, "I look forward to your response," but the one before that. It says:

"If this configuration can be provided, we stand ready to assist in any way we can. Otherwise, in my view, the ministry and the government would be better served by either consolidating the ministry in 777 Bay (at College)"—the one it eventually moved into—"or leaving us in our present configuration."

In other words, the minister responsible, the Minister of Municipal Affairs and Housing, clearly stated that there was not any pressing need to move; in his opinion, he could function; he could stay where he was. In spite of this letter from the Ministry of Municipal Affairs and Housing saying, "Look, I am open to the move but it is not necessary"—and I do not know how one gets any other reading of those last few words, "or leaving us in our present configuration." The Minister of Municipal Affairs and Housing did not provide any great reason for wanting to move. He said he could live with the present situation and yet, for whatever reason, the government decided it was going to move into what is substantially more expensive space.

I want to deal with some of the other arguments. In the third paragraph, it gives reasons about why the decision was made, and it uses terms such as "layout flexibility," "building age" and "timing." If we look at another internal memorandum, which is one to E. Gregory, who is the rental agent in the lease division of the Ministry of Government Services, we see that the memorandum of January 27, 1983, gives exactly the opposite point of view. This says:

"In response to your memorandum of 83-01-20 and Mr. Briggs's telecom of 83-01-20, our conclusion about the rentable area efficiency of 777 Bay Street versus 77 Bloor Street is that 777 Bay Street is not substantially more space-efficient than 77 Bloor, and may in fact be slightly less, particularly if the client ministry requires private offices to their present extent."

Then, in the response to the auditor, there is mention of the building age. Surely on the other

side of that, the older the building, the less taxes have to be paid. Indeed—I received these figures by checking with some real estate contacts I had—in 1984, for 77 Bloor Street West, the base tax was \$4.43 per square foot and the operating cost was \$3.30 per square foot. For 60 Bloor St. in 1984, the base tax was \$3.87 per square foot and the operating cost was \$3.46 per square foot. I do not have the figures for 101 Bloor Street with me, but the minister could easily get them.

At the same time, if we look at where they moved, 777 Bay Street, for 1984 the base tax was \$4.78 per square foot and the operating cost was \$3.59 per square foot.

When I put this together with the real estate agent who was kind enough to help me try to put together some of this research, we estimated a difference of roughly \$1 per square foot, off by a few cents on one side or the other.

I ask the minister whether she has those cost comparisons and whether I am not correct in saying that if one takes all the costs into account, including the differences in the taxes and the operating costs, one has a substantial increase which the Provincial Auditor should have taken more into account in this move.

It states in the next paragraph, "Both landlords were given sufficient notice and opportunities to submit competitive proposals and each recognized the importance of the lease rate." I find that to be an interesting statement. What negotiations did the government really do with Cadillac? If there were substantial negotiations when it was a buyer's market, I suggest the government would have got a fairly good deal by staying where it was.

Indeed, if we look at 77 Bloor Street, Cadillac later renegotiated with this very ministry for about \$11 a square foot; is that not correct? The minister can find those figures. How can she indicate that Cadillac would not move, which is essentially what this statement is saying? It says they were given sufficient notice. It does not say the ministry negotiated with them, but just gave them notice. Yet less than a year later, they negotiated at a price that is roughly 50 per cent less than the cost the ministry is having to pay on a long-term basis for 777 Bay Street.

I suggest that ministry officials at that time did not really negotiate. If they had, they would have got a better deal. Why can they not get it at a decent price at one time, but a year later they can get it at substantially less than what the ministry must have used as its figures when it contemplated the move? On page 75 of the report, the answer talks about "the marginally more expen-



sive option." I wonder whether 50 per cent is not a little bit more than marginal.

Also, did the allowance by College Park for the leasehold improvements fully cover all the costs of moving, including the costs to other ministries that may have moved into 777 Bay Street? Were new furniture and screens required? What were the costs of all these? We do not know the actual moving costs.

Nor, to my knowledge, does the auditor at any time look into the cost—at least not from the report we have—of the loss of employee time involved in the moving. I understand from people who were over there at the time of the move that it was absolute anarchy. There was furniture all over the place and it was an absolute mess, and employees were standing around wasting time. Surely that has a price tag. That would not have happened if the move had not taken place in the first instance. I ask the minister to see whether she can put a price tag on that in any kind of cost comparison.

**3:40 p.m.**

The other issue that is not dealt with by the Provincial Auditor in examining this move is the value of the leases that were given up for no consideration. We had some fairly good leases with Cadillac, leases that the ministry could have sublet to private enterprise at considerably higher rates than it was paying. It could have been used for other government ministries—indeed, other government ministries moved into some of those buildings later—or it could have negotiated with Cadillac, saying: "We are going to leave these, but you can rent at substantially higher rates. What is it worth to you if we leave and go elsewhere and leave it open for you to rent on a different market?" None of those questions is addressed in the auditor's report, and I suggest that any thorough analysis of this move would have dealt with it.

What we have here is a case of musical chairs in which the only ones who profit are the developers. The ministry moves in and out of office space. It is rented at a higher price, and in some instances they move back in at a new price without getting anything for what is left on the lease.

Here we have four buildings away below the market rate—77 Bloor Street West, 60 Bloor Street West, 101 Bloor Street West and the Suncor building—and the minister simply walks away from them. Is this good management? Is this good government? Is this the best the minister can do for the taxpayers? What is the

value of these? Why did the minister not try to sublet?

From anything I can see, I do not think the moves were justified. I ask the minister to table any documents she may have concerning any cost-benefit analysis. I ask that she show whether or not there were any negotiations with Cadillac—and I mean real negotiations—in this time when it was a buyer's market. How does she justify the move when the client minister obviously said he could live with the prior situation?

I ask that she table all those documents, since it falls under her ministry. But since it is also a matter that would be reviewed by Management Board, once we have those documents we can deal with them in a systematic way during her next set of estimates as Chairman of Management Board.

I think there is a major problem here. I do not question that she as a minister is showing more interest than the previous minister in coming to grips with some of these things. I am just afraid she is not getting the documents from the previous government. I would like to see all of those, I would like to examine them with her and I would like to go over those cost-benefit studies, if they are available. I am sure her officials can produce those documents from somewhere.

I want to deal at some length as well with the sale of 434 and 435 University Avenue. I will let the minister respond to my questions on this and then perhaps deal with that later.

**Hon. Ms. Caplan:** Before I begin to answer the questions of the honourable member, let me take a moment to thank my critics for their opening and very complimentary remarks about my appointment to the cabinet and to the positions I hold as Minister of Government Services as well as Chairman of Management Board. As a new member of this House I appreciate the good wishes and the goodwill expressed by both critics from the opposition parties and I look forward to working with them in the months ahead.

I will take this opportunity as well, before I answer the specific question by the member for Etobicoke (Mr. Philip) regarding the Ministry of Housing move, to respond to a question he asked last week regarding the telephone operators and his own personal frustration at the fact that he was receiving constituency calls from anyone who called and said he was from Etobicoke.

Instructions have been given to the telephone operators to ensure that callers are directed to the correct member. Although the member for Etobicoke is in a unique situation in that the name

of his riding is as well a full municipality here in Metropolitan Toronto, the telephone operators have been directed and will endeavour to ensure that he receives calls from his constituency. They will ask what part of Etobicoke the person is calling from and will, I hope, have that minor frustration clarified in the future.

On the questions regarding the move, I find myself in quite an interesting and, I think for Ontario, unusual situation, in that the member has asked me to defend the decision and recommendations of another government and of other ministers. I would like to take a minute to read to members the convention following information on changes of government and then make some comments on this situation.

"It is a convention followed both in Canada and the United Kingdom that a new minister may not have access to cabinet papers of the preceding government where there has been a change in government party. These records are usually left in the custody of the secretary of the cabinet and clerk of the executive council on the condition that they are to be seen only by persons who were ministers at the time to which the records relate, and in fact, when the decisions were made. As well, the secretary of cabinet or his designate may refer to these documents only to ensure continuity."

The paper I have before me goes on at some length and I do not want to take undue time in going over that. I just wanted to state that is the convention and the documents the member has requested would fall under the category of confidential cabinet documents and submissions regarding a major move, such as the one of the Ministry of Housing.

Having said that, I would like to state I have great confidence in the expertise of the ministry officials who would advise on such a move. Further, I want to state I personally support the principle of consolidation and would hope that in the future the questions he has asked would not be raised resulting from a move over which I had stewardship in my decision-making. I want him to know that all of the questions he asked regarding justification for future moves will be taken into consideration. I will consider the cost-benefit analysis, because I, too, believe in good management and good government, but I do not think it would be productive for us to spend the next hour discussing something about which I cannot give him the answers because of parliamentary convention.

Let me say that the one thing I have been assured of in the auditor's proposal, or criti-

cisms, is in regard to the fact only two sites were looked at. It reminds me of the story of the butcher offering his products for sale, and the fellow across the street offering similar products. When the customer went into the first store and was offered specific products, in this case chicken, the butcher said that the price of chicken was \$2 a pound. The customer said, "But across the road I can buy it for \$1.50 a pound." The butcher asked, "Then why do you not go across the road and buy it there?" The response was, "They are out of chicken." The butcher then replied to the customer, "If I were out of chicken, my price would be \$1.35 a pound."

What this says is the reason only two sites were looked at in that area was that only two could accommodate the move. For the Provincial Auditor to compare any other site in the area which could not accommodate the move, I felt, was like comparing the butcher with chicken to the butcher without chicken. Therefore, on that one, I am convinced the action of the ministry staff in going to only two vendors was justified.

On the issue of the entire move and the desire for that part of town and all of the other cost-benefit analyses the member has asked for, I believe those questions will remain unanswered and I hope they will not arise again in the future.

**3:50 p.m.**

**Mr. Philip:** First, the minister's parable is completely inappropriate in this instance because there were other merchants who were willing to sell the chickens. There was all kinds of office space available, and my checking with the real estate people at the time indicated that. There was all kinds of space available. The ministry itself was able to obtain space in other buildings at much cheaper cost than this only a few months later.

Second, the very fact that Cadillac Fairview was willing to sign a contract at considerably lower than for 777 Bay Street is an indication that even Cadillac was open to a deal. The parable about no chickens for sale is nonsense.

All the minister has to do is read the headlines in the business section of the *Globe and Mail* at that time. One sees headlines such as "Toronto Skyscraper is a Good Buy." I had a whole bunch of clippings I did not bring down, but they basically indicate it was a buyers' market at that time. Not only did this government not negotiate adequate—

**Hon. Ms. Caplan:** Not this government.

**Mr. Philip:** The government did not negotiate adequately; it did not negotiate at all. There is a new government and there are things the minister



can do. I accept there is a parliamentary precedent and I realize that might be the minister's answer. However, I hope that the new minister, as someone who does not want to fall into the same pitfalls of what I think was bad advice by the previous minister's advisers, might like to get to the bottom of this and ask whether the officials will provide voluntarily these cost-benefit studies, any computer printouts or any other information.

If they refuse, that is fine. Then I guess we have no alternative but to go to the Provincial Auditor with the information I have, and no doubt he will find the documents. The easiest way would be for the minister to agree right now that she will ask for any cost comparisons.

For example, did the ministry do any cost comparisons over a 10-year period from November 1983 comparing the cost of 60 Bloor Street West, 100 Bloor Street West and 77 Bloor Street West with the new College Park project? If the ministry officials thought it was a good consolidation deal and that it was a good financial deal that would stand on its own, surely they would have no fears. If she asks the previous government to release those documents and the previous minister feels it was a sound decision, he will have nothing to fear and will say to the minister: "Sure. We tried to justify it to the Provincial Auditor. If parliament is not satisfied, we will give you the working documents. We will come clean with everything." Then we could analyse them together.

My strong suspicion is, and every indication I have from people involved in real estate in Toronto indicates, that it was a bad and unjustified deal. Now that I have made certain documents public—namely, the letter from the Minister of Housing to the member for Lanark (Mr. Wiseman), the then Minister of Government Services—the minister might force, or ask, her officials to respond to the specific points I have made on that letter. It now is in the public domain since I have used it in the Legislature.

**Hon. Ms. Caplan:** I would like to make the point that the requirements for the ministry were space and location. I cannot speak as to who established those requirements. All I can tell the member is that given those requirements, that the analysis based on the amount of space required to consolidate the ministry in one location close to Queen's Park was a given, I am satisfied the decision to go only to those two vendors was reasonable.

I am sure the point the member is making about the amount of space available in Metropol-

itan Toronto is very accurate. I do not question that at all. What I am saying to him is that the judgement of the ministers of the day about the proximity to Queen's Park and the fact that the ministry had to be in one consolidated building, was made and, on the basis of these two vendors, that was the decision.

I do not believe it would be a productive use of my ministry officials' time to look back and do a cost-benefit analysis of a decision that was taken at considerable expense and that is over. I would like to get on with keeping them very busy on new initiatives. I will assure the member that in any consolidated move in the future, any plans for ministries to move for any other reason besides accommodation consolidation, I will ask those questions to ensure that the cost-benefit analysis is clear and when I make those judgements and decisions, the member will then be able to question the veracity of the decision I have made.

Unfortunately, other than that, I feel it would not be a productive use of time. I am not saying this in any way to justify the decisions of the previous government. I do not believe my comments should in any way be taken as either supportive or nonsupportive of the judgement of the minister. That is history; it is over and there is a new government. The cabinet documents are confidential, and to have the ministry attempt in some way to rework figures on a past project would not, I feel, best serve the interests of this Legislature or of the people of Ontario.

**Mr. Philip:** I find the minister's response interesting because it may give me more anxiety about how she sees her role as Chairman of Management Board than it does about how she sees her role as Minister of Government Services.

If I were to take over as a new manager—and I have been in this position—the first thing I would want to know is who are my competent managers, who have made mistakes in the past and, if mistakes have been made, how can I ensure that those weak cogs in my machine are corrected so the thing will not blow up in my face. I would think it would be in this minister's best interest to find out where the mistakes were and who was making them. I submit to her that mistakes were made, and if she would investigate this in the way I have and get hold of those documents, she would find out where the problems are in her own ministry and what mistakes were made.

**Hon. Ms. Caplan:** I thank the minister for his advice and I will take his comments under advisement for my future decision-making.

**Mr. Philip:** I am not yet the minister, but I appreciate the compliment.

**Hon. Ms. Caplan:** I am sorry—the honourable member.

**Mr. Ashe:** Is the member not gratified?

**Mr. Philip:** I would do a lot better than the previous minister did.

**Mr. Ashe:** The member has never had a positive thought in his life.

**Mr. Philip:** I always have positive thoughts in my life. The most positive thing in my life was the defeat of the incompetent and poorly managed government that was in existence for 42 years, which so badly mismanaged this government.

**Mr. Ashe:** Another negative statement, just as I said.

**Mr. Chairman:** Order. Other members will have their chance for the floor.

**Mr. Philip:** I would like to deal with the suggestion the minister made that it was a policy decision; that is essentially what I think she was saying. She said it was a policy decision to consolidate and, therefore, after that policy decision was made, very little could be done from the point of view of either Management Board or the Minister of Government Services.

It seems to me that a number of policy decisions are made by every government. There are all kinds of things that each of us wants, but at some point somebody in the government has to say: "Maybe we cannot afford this. Maybe there are other things we can spend the taxpayers' money on."

**4 p.m.**

I would like to drive around in a Rolls-Royce and go to the Bahamas for Christmas or do a number of things, but I have to sit down with my family and ask, "What are our priorities with respect to our income?"

Surely there is a point at which the minister, as Minister of Government Services or as Chairman of Management Board of Cabinet, has to say, "It may be a worthy objective and it might be nice for the Ministry of Housing to have everything under one roof, but quite frankly, on examining the costs and weighing those against the benefits, we cannot justify it."

The minister has to deal with that. I will be dealing with that under Management Board because I feel there has been a serious lack of that under the Chairman of Management Board heading. Does the minister not see the difference with a policy decision to consolidate everything?

Is she going to consolidate everything, no matter what the cost is, or is she going to do effective studies to see what the cost benefits are?

**Hon. Ms. Caplan:** I have assured the honourable member that in the future all decisions to consolidate will be based on a business case and a cost-benefit analysis.

**Mr. Philip:** I hope that will be the case because the minister will want to look at that as well when she examines the sale of property.

I would like to look at the sale of 434 and 454 University Avenue. I wonder whether the minister can answer some questions in the present tense on matters under her ministry. First, does she know who bought those buildings? Can she give us the names of the purchasers? Are they still under the same ownership or have they been flipped?

Is it true—and we hear rumours—that 40 Holly Street and 8 York Street have already been flipped and that apparently some people may have made substantial capital gains? What is the justification for the sale of 8 York Street?

Generally, I would like to know the minister's policy on the sale of property. Why did her officials or the previous minister's officials sell when they knew the market was down? Why did they sell when common sense would tell them that holding a portfolio would have a moderating effect on the market in downtown Toronto and therefore be of interest to the taxpayers in the future? Those are some of the general questions. Then I want to get into some more specific questions about 434 and 454 University Avenue.

**Hon. Ms. Caplan:** Both the sales the member refers to, as well as York Street and Holly Street, were done before I became Minister of Government Services. I would like to quote for him something I mentioned in my opening statement on Friday:

"The long-needed review of the provincial government's land holdings is only a part of the new approach to managing the massive portfolio of lands which the provincial government owns. The traditional method of disposal of surplus public assets, and land particularly, is through tender and auction. Although it is my intention to continue using these methods, where appropriate, in certain circumstances this government may use other marketing techniques more appropriate to private sector operations and which, if they can be justified, would improve the price which the government would receive for their holding."

In the past, part of the reason for the difficulty in asset disposal, particularly of land, was that



the government traditionally insisted on all cash. That has been one of the barriers to increasing the numbers of individuals and corporations interested in purchasing surplus assets.

We are now also studying financing techniques which could be even more advantageous to the government and we are considering such things as takeback of mortgages or builder's terms, many of which may result in more interest in our surplus lands.

The other avenues I am pursuing are use of those lands and a look at ways in which we can increase the value of our surplus lands before we sell them. Often lands are purchased and then rezoned, resulting in the higher price of the flips referred to. Because of the convention I mentioned earlier, I cannot justify the sale of the land referred to, the decision taken or the timing of that decision. I hope that answers the question.

**Mr. Chairman:** I remind the member for Etobicoke, the member for Durham West (Mr. Ashe) has some questions of the minister. Perhaps he would finish this subject and allow the minister to answer; then we will go to the member for Durham West and back to the member for Etobicoke.

**Mr. Philip:** I am sure the minister would agree that this topic also could be dealt with under the estimates of Management Board. If the member for Durham West wishes to have the floor, I am quite prepared to deal with this under Management Board since it will follow up on the same set of estimates.

I point out to the minister on the last point made that there is some advantage to improving the property before selling. In the cases of 434 and 454 University Avenue, there are a number of rezonings in that area. Under no circumstance did the government make any attempt to rezone those properties before selling, even though large numbers of properties in the general area had been rezoned. If the government had rezoned them, it might have received a lot bigger bucks for its money.

The minister may have put a finger on one of the problems when she suggested that if we are going to sell these properties and they can be rezoned, they should be rezoned before being sold, rather than have some developer rezone them, flip them and make a huge profit at the taxpayers' expense. I will follow this up in greater detail under Management Board estimates.

**Mr. Ashe:** I will be very brief. I did not intend to participate at all today, but unfortunately our critic got waylaid with the weather. It is not quite

as rosy as it is around here, so he could not be here.

I have had only a quick review of the Instant Hansard from Friday. I notice he posed a number of serious questions, a few of which were answered in the opening part of the minister's response, but quite a few she did not get to. If she has the opportunity, I would appreciate it if she would put those on the record.

I note in particular a question relating to the land referred to as east of Bay, the status of this building and its ongoing resurrection, maintenance, etc. The other point I specifically would be interested in having the minister respond to, which, granted overlaps from these estimates into the next ones, is the statement that undoubtedly she has been told—and I appreciate that is where she must have got the numbers—that the predecessor ministers had a total of 14 staff and she is now operating with nine. I would be very interested in seeing where the 14 came from. I happen to have been the previous Chairman of Management Board and I operated with a staff of four.

Granted, I was not there very long, so I went back to my predecessor, the member who now occupies the seat in front of me, and she had a total of six. Of those, approximately half also related to her dual role as Deputy Premier. Again, going to a predecessor, I know he operated with a staff of about four when Chairman of Management Board of Cabinet. Four seems to be about the number.

**4:10 p.m.**

Also, when I was Minister of Government Services, we operated with a staff of about five or six. Unless my arithmetic is wrong, even taking the six plus four it comes to 10, which is a long way from 14. If at some point summer students are included, someone may have come up with that number. I just pass this on to the minister, more for her condolence, so that she can pass on to her staff of nine that it is probably not too inappropriate to the numbers that operated on a full-time basis before. I would be very interested in seeing the numbers and names she was given for a total of 14 for the two functions, since I was familiar with both of those ministries fairly recently.

I would appreciate it if the minister would give the answers to the other questions our critic asked so they could be on the record. I will make sure they are drawn to his attention.

**Hon. Ms. Caplan:** On the staff question, these are the numbers I have. The member for York Mills (Miss Stephenson) had a staff of eight

as Chairman of Management Board, and the former Minister of Government Services, the member for Sudbury (Mr. Gordon), had a staff of six. My staff and I appreciate the words of the member. I will tell them that although they are badly overworked, their numbers are not out of line. I do not know whether the member included word processors and people such as that in the total.

**Miss Stephenson:** Yes.

**Hon. Ms. Caplan:** I have included those also. Extra duty work, as needed, is being done by GoTemp primarily. I expect there will be one additional position or possibly two, which will be filled in the next while.

Having the dual responsibilities and ensuring that attention is given to them are concerns I have had, to ensure that, with all my responsibilities as Minister of Government Services, the minister responsible for the Civil Service Commission, Chairman of Management Board and chairman of cabinet, I have the staff necessary to perform those functions.

**Mr. Ashe:** I will conclude and give the minister the opportunity to try getting the other answers on the record, seeing that we are down to 29 minutes to go in these estimates. I appreciate she is only one person and I can understand her trying to divide herself. I filled the two functions—not chairman of cabinet—to which she referred, but the others. I am relatively familiar with them.

It is unfortunate that the ministry, on whose estimates she is now responding, is not considered a very sexy one in the context of government. I am sure she has already found out it is very interesting, challenging and demanding to keep up on the portfolio, the real estate, etc. of the province, and trying to keep the ownership and buildings in reasonably good stead, well managed and maintained. I hope the minister tries to apportion her time accordingly and does not try to do it all with staff.

The end result of what I am saying is that the numbers she has built up, which I read in Instant Hansard, along with the other two she is talking about, would lead me to believe she is going to end up with considerably more staff than had most of the ministers filling those roles over the last couple of years. There may be no other answer, which I accept.

She should keep in mind that the member for York Mills also served in a dual capacity as Deputy Premier and all of those people were domiciled and included in her staff. The member says six and the minister says eight. I will leave the two ladies to fight out whether there were six

or eight. Regardless of that, three of those people were in the purview of the Deputy Premier's office. Whether it is six less three or eight less three, it still does not add up to 14.

If the minister's goal is to get back to 14, she is talking of three to five more people on staff than in most of the operations—I have to put it that way. I do not know what someone in Government Services for just a short time, for example, got up to. I know how it was operated for some time. I am familiar with the last three ministers in Management Board. They were all Management Board per se, not attached to the office of the Deputy Premier, and all operated with a staff of about four.

**Hon. Ms. Caplan:** I would like to respond briefly, first, to tell the member how much I am enjoying my my time at the Ministry of Government Services. Before I get into mentioning the actual time, let me give the member some of the initiatives I have undertaken in the short time, the past five months, that I have been there.

To mention a few of the initiatives I have undertaken in that short time, there are the east-of-Bay lands; the inventory review I announced on Friday; suppliers' lists; fleet management study; government travel; the need for a new courthouse complex in downtown Toronto; mechanisms for innovative financing; disposition of property; review of the leasing accommodation strategy plans; and Metropolitan Toronto consolidation and accommodation needs.

As the member is aware, the Ministry of Government Services has regional and district offices spread around the province. In the five months, I have endeavoured to get out of Metropolitan Toronto and into those regions to meet the ministry staff. I have been successful in getting to Ottawa, Kemptville, Kingston, London, North Bay and Goderich to meet the people who look after the total working environment of all the ministries and hence see that the people of Ontario get the quality government service they demand and deserve.

The time question is an interesting one. It is one I gave quite a bit of time and thought to over the weekend. The meeting time of the Management Board of Cabinet is specific, as the member knows. There is the briefing on Monday for the Management Board meeting on Tuesday. Tuesday is the Management Board meeting. As well, there is the need for policy briefing sessions so the minister can give direction.

Government Services, on the other hand, by the nature of the ministry, requires different kinds of time as far as direction is concerned. In



thinking about it, I realized that probably I am spending equal time in the activities of both ministries, one from policy development and the other from hands-on involvement in policy-setting and directions within that ministry.

Added to that is the thought that goes into—the reading as well, but primarily the thought—the kinds of policies and issues facing the Ministry of Government Services in the future. While it may not be a formal meeting session, the time is quite considerable, as one will plan and think about new initiatives for the future and the new directions this government may want to consider taking in relation to that ministry.

I would like to refer to the questions of the critic, the member for Stormont, Dundas and Glengarry (Mr. Villeneuve)—I am sorry he is unable to be here today—and take a few minutes to put on the record some of the answers he had requested.

**Mr. Chairman:** May I remind the minister that the member for Lanark has some questions as well?

**Hon. Ms. Caplan:** Would you like to do that first, Mr. Chairman?

**Mr. Chairman:** Perhaps it would be wise.

**Mr. Wiseman:** I wonder whether I could ask the minister to bring me up to date on the status of some of the following items. There is the deal between North York and Mayor Lastman and the province for the exchange of land we own for the land he was going to put together on the east side of Yonge Street. Is that going ahead? Is that still in the works or has it been sidetracked?

4:20 p.m.

There is the east-of-Bay matter. The minister just mentioned it briefly. Are the opera and ballet still interested in the corner? Has she reviewed some of the past proposals and is she prepared to share some of her ideas with the committee? Is she going along with some of the recommendations by past ministers and certain others who went before, or is she going to change her mind and come up with some other proposals?

I would like to know whether the Ottawa courthouse is on target, and not only on target regarding time, but also whether the cost is within the budget that was set. I would recommend that the minister read the article that appeared in the *Ottawa Citizen* the other day. I think it was an unfair criticism of the Ottawa courthouse, saying it looked like a dungeon or something of that nature; it used some adjective describing it as something like that. From what I have seen of it, I think the judges in the area will

look upon it as being maybe the best one in Ontario and even ahead of the one in London.

Getting closer to home, some years ago the province purchased the Perth courthouse from the county. There has been a study, and I would like to know where it is at. Can we make an announcement in the immediate or near future, maybe before this year is out, that some funds will be available to fix it up? It really is in need. When the minister is touring eastern Ontario, I recommend that she come into God's country and have a look at our county courthouse in Perth and see if she does not agree that we really do need some repairs to that old and stately building.

I may have a couple of supplementaries based on what the minister has to say in her reply.

**Hon. Ms. Caplan:** I thank the member for Lanark for his questions.

The deed for the land at 5000 Yonge Street has been given to the city of North York, and it now owns two acres of that land. We are embarking on a study to maximize the province's interest as we proceed to dispose of the surplus land. However, I hope the level of co-operation with the municipality will set a pattern for dealing with other municipalities in the future. Certainly, I am committed to consultation and co-operation with the city of North York in its efforts and endeavours to use the two-acre piece of land that has been deeded to the city.

That is the answer to the member's question on that site. Mel Lastman was very happy with the presentation of the deed. Does the member have a supplementary on that?

**Mr. Wiseman:** My colleague was telling me that the other deal I asked about fell through when he was minister.

I do have a supplementary. Maybe it was the minister's choice of words, but she mentioned that we gave two acres to the city of North York. Did we actually give that valuable land to Mel for nothing?

**Hon. Ms. Caplan:** Yes, it was a commitment that was made by the previous Minister of Government Services, that two acres of land would be deeded to the city of North York. This government honoured that commitment, and the two acres and the deed have been presented to the city.

The member is quite correct; the land exchange he talked about did not proceed as originally discussed by his government.

Regarding the east of Bay Street lands, on Friday in Hansard I mentioned that a complete study and analysis of that site is taking place, both with and without the opera-ballet complex,

to determine what the government's use or potential use could be, what our needs are and the density appropriate to that site. I hope to have the study in the near future, and then we will be making a decision on the determination of what is called the east of Bay lands.

Let me tell the member that this summer I donned a hard hat and walked through the new Ottawa courthouse. In my understanding, the answers to his questions are yes and yes, the project is on time and within budget.

I think it is very attractive. That is personal and subjective. I am sure the beauty is in the eye of the beholder. It was suggested that the same kind of controversy that raged around the Eiffel Tower may rage around the Ottawa courthouse. It certainly is a significant building on the landscape in Ottawa, and it will be of interest to anyone concerned with appearance in Ottawa. I find it a very attractive building.

I have asked for additional information on the Perth courthouse. As of this moment, I have not had a briefing. The member's concern has been noted, and I will be pleased to look into the situation of the Perth courthouse.

**Mr. Ashe:** I have a supplementary on part of the previous answer relating to the North York lands. I would like to clarify with the minister her understanding of the two acres of extra land associated with 5000 Yonge. No deal was made that I can ever recall to give, deed or donate two acres of land to North York and/or the mayor, Mel Lastman.

What there was going to be was value for value. If the proper densities and allowances were made to increase the value of the remaining provincial land, they in effect earned the right to the acreage, which was tentatively two acres. There is no doubt about the size. So to leave the impression that it was a straight giveaway deal is inappropriate, unless the circumstance has changed.

**Hon. Ms. Caplan:** The member is quite correct. I was a member of the city council when the official plan on that site was changed to increase the density substantially. As part of that, there were negotiations for the city to receive two acres of land for the specific purpose of a cultural arts centre on that land as the province's contribution.

The official plan is complete, and it was appropriate to deed that land to the city. Within the terms, I felt the word "give" was fair. The city gave its part as far as the official plan amendments were concerned, and the province has deeded the two acres of land to the municipality.

**Mr. Wiseman:** On what date was the density to be increased on that land? I think it was increased before 1983. Was it increased again after that time?

**Hon. Ms. Caplan:** D-11-48 was the official plan amendment. The actual date of the approval by the Ontario Municipal Board—and it was subject to the approval of the Ontario Municipal Board and of the minister—was after 1983. I can check the specific date, if it is of great interest to the member, or he can call the clerk of the city of North York; I am sure he would be happy to give him the exact date it was passed.

**Mr. Wiseman:** I was wondering, because it must have jumped in density twice. When I was the minister, it had already gone up in density, and just for my own clarification I wanted to see whether it had jumped a second time or whether the once was all.

**Hon. Ms. Caplan:** No. As the member knows, the planning process requires the council to approve an official plan amendment. It then goes to the Ontario Municipal Board for approval, and that hearing can be lengthy. It then requires the final approval of the minister.

I am sure that when the member was Minister of Government Services it had gone through the first of those three phases. The council had approved it, but it was not finalized until some time later after the Ontario Municipal Board hearing.

4:30 p.m.

**The Deputy Chairman:** Would you like to respond to the questions by the member for Stormont, Dundas and Glengarry?

**Hon. Ms. Caplan:** Yes. The questions raised on Friday by the member related particularly to the province's space inventory.

The province occupies 47.3 million square feet in Ontario, of which we own 38.1 million square feet. We lease 8.8 million square feet. The leases have an annual cost of approximately \$92 million for conventional leases and \$8 million for lease-purchase agreements. That includes all administrative costs.

Within Metropolitan Toronto alone, the province occupies 12.6 million square feet, of which 8.5 million square feet is owned, and 4.1 million square feet is leased at a cost of \$65 million per annum.

Office space in the province is 11.5 million square feet, of which 5.6 million square feet is leased at a cost of \$80 million per annum. In Metropolitan Toronto, office space is 7.2 million



square feet, of which 3.3 million square feet is leased at a cost of \$55 million per annum.

South of Bloor Street, bounded by Jarvis Street, Spadina Avenue and the lake—which is known as the core—the province occupies 7.4 million square feet of all types of space, of which 2.9 million square feet is leased at a cost of \$45 million per annum. Office space in this area is 5.7 million square feet, with 2.6 million square feet leased at a cost of \$42 million per annum.

We expect conventional lease costs will escalate at five per cent per annum. Based on present inventory, this will result in a provincial leasing bill of approximately \$117 million per annum by 1990, if no action is taken.

Capital expenditure analyses are conducted to determine the economies of whether to build or to lease. The analyses include the following: discounting future cash flows to current-year present value; analysis of one-time costs such as site purchase, site preparation, design, construction and special equipment; analysis of ongoing costs such as rent, repair, energy consumption, operations and maintenance and taxes; and analysis of residual value.

The statistics just noted provide a broad perspective on the current situation. Building or owning, as opposed to leasing, and the issues of consolidation and decentralization are complex when viewed against the backdrop of fiscal priorities and program delivery needs.

On Friday last, the member for Stormont, Dundas and Glengarry asked whether we expect the requirements for office space to increase in the coming year. That is a very difficult question to respond to satisfactorily. In the past four years, since 1981, office space use has declined by 0.8 per cent, yet the public service has decreased by approximately 2.5 per cent. This difference is due partly to a reduction in nonoffice jobs and the need for space for students, seasonal and other non-civil-service groups such as agencies, boards and commissions. In addition, when staffing changes occur, it is often not economical to reconfigure the space and capture small pockets of unused and surplus space.

In the future, office needs will be dependent on program demands and shifts. The demographics and technology—for example, computerization and word processing—are changing the way we work. The amount of space for office workers has been increasing generally as more and more corporations recognize the relationship between the work environment and productivity.

Let me add here that with the proliferation of computers, the space requirements have also

changed. We are not simply looking at the requirement of a desk and typewriter; the need for the machines, the printers and so forth often demand additional or different kinds of spaces. To that end, I have asked for a review of the entitlements and the way that space is allocated.

The issue of moving away from Queen's Park, or out of the core, as previous ministers probably already have experienced, is very difficult to achieve rapidly. The member for Stormont, Dundas and Glengarry asked on Friday whether this is foreseen. As I stated earlier today, I believe in consolidation and, where possible, decentralization outside of the core, the boundaries of which I articulated a few minutes earlier.

The government has three accommodation portfolio objectives; the first is locations appropriate for service delivery to the public. That should be underlined. Accommodation should be provided where the public will receive the best service delivery. The second is to lower the cost of accommodation. The statistics I read into the record a few minutes ago bear out the need not only to lower the cost but also to ensure that future costs are as cost-effective as possible. Third, we require accommodation that is productive and meets modern needs. This refers to the technological changes as well as other working environment needs and changes.

With respect to location, this will be reviewed with the ministries. It is important to have these statistics on Metropolitan Toronto on the record. The city of Toronto, with a population of 29 per cent of the total population of Metropolitan Toronto, has 70 per cent of all the government offices; Etobicoke, 14 per cent of the population and 12 per cent of the government offices; the city of North York, 26 per cent of the population and 12 per cent of the offices; Scarborough, 20 per cent of the population and three per cent of the offices; East York, five per cent of the population and three per cent of the offices; and York, six per cent of the population and 0.04 per cent of the offices.

Those numbers and statistics should not be taken out of perspective. I do not agree that it means the government should run into purchasing of land and building a building. If we look to the future needs of government, we must take into consideration not only the presence of the government within Metropolitan Toronto but also its presence around the province to ensure that it is equitable.

We will be looking at whether these imbalances should be changed, not only the question of whether they will be but also whether they should

be, recognizing the need for locations most suited for service to the public. That is the underlying consideration. We also have to ensure that we maximize the use of the existing public transit.

On the issue of building versus leasing, the member asked whether it was more economical to build or to rent. Over the long term, 20 years perhaps, there is no doubt that ownership is the lowest-cost option. Statistically, I earlier tabled and offered some insight into the effect of large lease portfolios, subject to market pressure that this would have on the provincial government's budget.

However, we need to come to terms with respect to the owned-leased ratio. While in principle owning is less expensive, some of the needs are short-term and transient and for these, leasing provides the needed flexibility. The impact on the capital budget should be underlined; we cannot begin a massive government building program just because we believe the long-term ownership of government buildings is better. It would have tremendous dislocations on the leasing market if we began a massive pullout of leased space, and that is not contemplated.

In addition, we do not have the ready capital to finance a major shift. When one looks at the 30 per cent of all office space being leased in the city of Toronto, and at the 31 per cent in the central core, this equates to 2.7 million square feet just in the core of Metropolitan Toronto; around Metro, it is 3.7 million square feet.

There is quite a bit of additional information. I see we are coming down to the last two minutes we have available. I want to assure the member who asked these questions that I have taken his questions and concerns into consideration and will in the future, as we make those very important decisions about whether we should own, whether we should lease and where we should own. There are some parts of this province where land is less expensive and construction costs are more reasonable; that also has to be taken into consideration when we prioritize where we should be building.

**4:40 p.m.**

The principle is to use our portfolio equity and the demands or needs together and to get the best deal for the province in so doing. This will be done not by assuming financial risk for the province but by buying and selling buildings or leasing at the most appropriate economic times using methods that are most advantageous to the province. This means that perhaps in times of

high interest rates or in times of great costs, construction is not the very best route.

**Mr. Ashe:** In the last minute I want to compliment the minister very briefly for getting around to the district and regional offices. I can tell her from experience that it is very important to get a feel for what is out there and for the kind of environment in which the people are working. The person who occupied that position up to February last did get around to all of the offices, I think, in the first six months.

I want to deflate her ego slightly. She rhymed off a list of challenges she has been undertaking and gave the impression that they were all brand-new. About two thirds of them are not.

**Hon. Ms. Caplan:** They did not tell me that when I asked them to do it.

**Mr. Ashe:** I know they did not.

**The Deputy Chairman:** The time for consideration of the estimates of the Ministry of Government Services has expired.

Pursuant to standing order 46(d), I must put all questions necessary to carry every vote and item.

Vote 601 agreed to.

Votes 602 to 606, inclusive, agreed to.

#### ESTIMATES, MANAGEMENT BOARD OF CABINET

**Hon. Ms. Caplan:** It is my pleasure to present the estimates for the Management Board of Cabinet, fiscal year 1985-1986.

These estimates provide information on the programs of the Management Board secretariat and the Civil Service Commission, two important elements of our government for which I am responsible as Chairman of Management Board.

Management Board of Cabinet aspires to the highest standard of performance in the development and management of a broad range of government-wide policies and priorities. The board is given outstanding support in this task by the staff of the secretariat under the direction of John Sloan, the Secretary of Management Board. The Civil Service Commission, under the able chairmanship of Ethel McLellan, also has an enviable record of carrying out its responsibilities for the effective corporate management of our human resources. As we all agree, the success of any venture is dependent upon the people engaged in it and on the way they are managed.

The secretariat and the commission have a shared responsibility to provide leadership and support both in the application of efficient management practices and in the development



and organization of our vital human resources throughout the government.

In my remarks today I intend to focus on three broad areas in which we have made major strides towards our fundamental goal of excellence in management. First, we have introduced measures to make the process of government more open and fair to the people of Ontario. Second, the government is committed to increasing productivity by more effective management practices and tighter control of costs. Third, we are introducing measures that will enhance accountability as a further major step towards more efficient and effective government.

First, open and fair government is one of our key priorities. The Freedom of Information and Protection of Privacy Act is one of the most important initiatives that we have introduced towards this objective. This progressive and long-awaited legislation was introduced by my colleague the Attorney General of Ontario (Mr. Scott). As Chairman of Management Board I have been given the responsibility for implementation of the act within the Ontario ministries and agencies to which the bill will apply.

The policies that we are developing will reflect our belief that government information should be available to the public, that necessary exemptions should be reviewed independently and that individuals should have the legal right to the protection of personal information. We anticipate that committee hearings on Bill 34 will be held early in the new year.

An open and fair government also means a government where employment opportunities are available equally to all people. Access for women to positions at all levels of the public service is an objective to which this government is strongly committed. The number of women in executive ranks has risen steadily from less than four per cent in March 1975 to almost 12 per cent in September 1985.

Further, in the past five months alone, 16 women have been newly appointed to the executive group or to different positions within the group. Many women employees will also benefit from a new job evaluation plan that is currently being negotiated. The plan will establish a system of pay equity between office service and clerical service categories. About 14,000 public servants are in these classifications, the majority of whom are women employed in jobs such as typists, secretaries and clerks.

Equality of opportunity and a system of fair compensation are also the objectives of measures we are taking to ensure that all groups in our

society receive equal treatment in and access to our public service. We want to ensure that all people in Ontario, including those with disabilities, members of visible minorities, native people and under-represented groups such as women, have real opportunities within the public service.

The first step is to take a survey of target groups within the Ontario public service to determine current levels of representation. This survey will be carried out in a careful manner, consistent with the principles of freedom of information legislation to protect the privacy of personal information of all concerned.

Seasonal and part-time employees of the public service should have access to the same benefits and equality of treatment as regular employees. As the employer of Ontario public servants, therefore, Management Board has negotiated a package of improved conditions and benefits affecting seasonal and part-time employees that will take effect in January. These benefits include job security, seniority, salary increments within the range, health benefits, vacation and holiday pay, and basic life insurance, amongst others.

The agreement also permits designated seasonal employees to continue participation in the health and insurance plan at their own cost between periods of seasonal employment. Also, recent changes in the Public Service Superannuation Act now open the Ontario pension plan to designated seasonal and part-time staff.

This new classification of regular part-time employment has been cited by an arbitrator as a model for employers who engage part-time staff. Development of the agreement by Management Board required a high degree of flexibility and creativity, and reflects our dedication to equality in government.

As I announced on Friday, we have also introduced measures to simplify the process of doing business with our government, which is in keeping with the principles of openness and fairness in all areas of government. Reduced cost and increased efficiency would be the natural products of a more open and accessible system. Consistent with this approach, we intend to improve procurement and supply management to give potential suppliers of goods and services easier access to government business.

**4:50 p.m.**

As I outlined in my estimates statement for the Ministry of Government Services, the government purchases about \$2 billion in goods and services each year, including \$8 million in

commonly available items. For years, private sector groups have been complaining that the government's procurement process was too complex. Many small businesses have been unable to afford the overhead costs of dealing with government. This government is establishing a one-window concept for potential suppliers to help them know what the government buys and whom to contact.

Productivity improvement is the second key objective of Management Board, its secretariat and the Civil Service Commission. We are committed to making the process of government more productive by making our management practices and systems more efficient. Productivity gains can be achieved by increasing the effectiveness of the system and eliminating waste. To this end, we have taken a number of actions to constrain unnecessary, unproductive expenditures while redirecting our fiscal resources to areas of priority, such as job creation for our young people and the growth of our economy.

The Premier (Mr. Peterson) announced early in July that we would undertake a review of all financial commitments made by the previous government between the May 2 election and the June 26 departure from office. These commitments totalled \$181 million. Today I am pleased to report that Management Board, in conjunction with the ministries and Treasury, have successfully implemented a constraint program of more than \$250 million which reaches across all areas of government.

The program includes savings in our direct operating expenditures, a 30 per cent reduction in uncommitted advertising expenses, projected savings from the wind-down of the Board of Industrial Leadership and Development programs and other economies. It also includes some \$41 million in savings from the \$181 million committed by the previous government in its last days.

Getting good value for government funds is an important consideration in another of our initiatives, the hiring of consultants. While in opposition, we had many concerns about the way the previous government acquired and managed the work of consultants, concerns which were shared by many private companies. Typical problems included contract extensions, cost overruns and the alleged splitting of contracts to avoid public tenders required by the administrative policy.

We intend to introduce a new policy governing the hiring and use of consultants which will replace three existing directives. This will clarify

accountability, promote efficient business practice through a more realistic spending limit, ensure cabinet approval for major initiatives and stress value for money in consulting contracts. Further, to promote good management we have developed guidelines and training programs for staff based on the best practices of planning, acquisition and management of consultants. Approved in principle by the board, this revised policy will come into effect early in 1986.

The need for major efficiencies in the way government manages its real estate has also been recognized by this government and we have taken several initiatives which I outlined on Friday in my statement as Minister of Government Services. These constitute a major review of our real property strategy and policy. The objectives of this review are to streamline financial and human resource costs of managing property, generate more revenue and establish greater investment opportunities for what is a major asset of this province. Moreover, it will provide the government with the resources and flexibility required to enhance related program priorities such as housing.

By spring, this government will: (1) develop the first complete inventory of the location, size, value and potential of government real estate; (2) consider disposition and marketing methods for the efficient disposal of property; (3) review real property financing techniques for the development or disposal of underutilized or surplus government property; (4) streamline policies and procedures; (5) establish a review process for provincially held land enabling government to develop housing sites and government facilities or generate revenue.

Our government is also committed to increased fairness and cost-effectiveness in government advertising. In September, I announced a new advertising policy intended not only to make the system of awarding contracts more open and fair but also to give the government more value for its money through heightened competition. In addition, these new rules apply for the first time to government agencies which are major advertisers, such as Ontario Hydro and TVOntario. The Advertising Review Board, an independent new body, will encourage the rotation of government business among qualified companies and oversee the public tendering of major contracts.

This concept of value for money through increased competition will also apply to other areas of purchasing. Productivity improvements apply not only to government expenditures but



also to the funding and programs of government agencies. Our government is concerned that agencies and corporations associated with our ministries be absolutely essential and that their programs are governed by the same values as the government as a whole.

In his budget speech, the Treasurer (Mr. Nixon) announced measures to streamline agencies, consolidate certain functions and divest a number of crown corporations. While the government's policy on agencies is being reviewed, Management Board will continue to thoroughly review the need for all new agencies and propose the relationship of these to government to ensure appropriate accountability and control.

We are also increasing the capacity of line ministries to audit those agencies which receive major transfer payments. For example, we have established a bureau in the Ministry of Municipal Affairs to co-ordinate this function with various municipal activities.

Technology improvement is another initiative to control costs and enhance productivity. In our modern world, information has become a powerful resource which, managed with foresight and sensitivity, can result in significant improvements in program delivery and organizational effectiveness.

Management Board recently approved in principle a comprehensive set of strategies for the effective use of information technology by all ministries. The 27 recommendations will assist government managers in the choices they must make over the next decade. These proposals have undergone a careful process of review by Management Board, working in conjunction with the technology directions committee, a special group of deputy ministers. In addition, I am being advised by a group of specialists from the private sector, serving as members of the Information Technology Advisory Council.

High in our priority list are recommendations that will ensure government derives the maximum possible benefits in productivity and employee wellbeing from the use of information technology through an appropriately trained and well-managed work force. The Civil Service Commission is particularly active in assessing the implications of new technology as it relates to people. Training, classification, job design and ergonomics are part of the mandate of a project team.

The third and final area which is important to management excellence is increased accountability. I have outlined a number of ways in which we have introduced changes by which

deputy ministers, program managers, agencies and other individuals are being held more accountable for their decisions and management practices, including spending. I will also touch on some measures specifically aimed to ensure accountability across the system.

In his budget statement, the Treasurer indicated a need for a comprehensive review of the effectiveness and efficiency of all government activities. He announced I would undertake this "difficult and challenging task" as Chairman of Management Board. I welcome this challenge and the work is well under way.

### 5 p.m.

The criteria for proposals being drawn up by my staff at Management Board are based on these fundamental principles: One, a successful program review requires an ongoing effort, applying different approaches to different activities. Two, such a review must have complete support of management in the ministries and must also link other accountability mechanisms, including managing by results.

I anticipate the selective reviews will begin in the near future and I expect these will provide a solid platform for additional measures of improvement.

Our efforts to improve management also focus upon people. In early September, the Premier announced I would be undertaking a major review of the role and mandate of the Civil Service Commission. This study is now well under way and is linked directly to our belief in management excellence and especially to the management of human resources in the Ontario public service.

Our concerns with accountability are endorsed by the conclusions of the Study of Management and Accountability in the Government of Ontario, which was initiated in 1983. The study arose from the belief that accountability for administrative decisions was unclear and that the rules were not being followed. It was tabled in the Legislature in January, and we are now implementing its recommendations.

In the past five months, we have reinforced the accountability of ministers and deputy ministers for all aspects of ministry performance; broadened annual reviews of the performance of deputy ministers to cover all areas of ministry management; improved auditing processes; initiated simplification of the Ontario Manual of Administration to clarify the accountability of deputy ministers and the Management Board and the rules of management within the public service; and revised executive and manager

training programs to include relevant recommendations of the study.

I believe we have opened a path which will make government more accessible and fair, more productive and efficient, more responsive and accountable. These steps will further strengthen the confidence of the people of Ontario in their government and will give public servants themselves a clearer and more productive working climate.

In conclusion, I would like to take this opportunity to congratulate the Ontario public servants for their generous support of the United Way and federated health fund-raising campaign. During 1984-85, approximately \$2 million in charitable contributions were raised throughout the province by our public servants, an increase of 17 per cent over the previous year.

That concludes my remarks. I would like to thank the honourable members for their attention and I will be pleased to respond to any questions.

**Miss Stephenson:** I am pleased to have the opportunity today to function as the initial responder to the opening statement of the Chairman of Management Board. As one who held that position for a relatively short time, I cannot disagree at all with the statements regarding the excellence of the staff of Management Board. Its analysts, structure and function are exemplary, not only within this province but also this country, and they have been for quite a long time because of the good developmental process which has been in place, I believe, for a little more than a decade now.

The staff of the Civil Service Commission is equally efficient and responsive and provides an excellent model for the rest of Canada in respect to the range, scope and quality of the programs it develops.

The definitions of the role of the Management Board secretariat and the commission are indeed appropriate. I am pleased the Chairman of Management Board demonstrates in her opening statement that she is committed to precisely the same goals the former government pursued vigorously in all its attention to Management Board for so these many years.

I am particularly pleased that the function of Management Board will continue to focus more effectively and perhaps more finitely on specific areas of management which I felt were essential in my short stay in that area of activity.

There is no doubt in my mind that information is and always has been available to the people of Ontario and that there is a means of improving that availability of information. However, ensur-

ing the openness of government takes a good deal more than rhetoric and the passage of legislation. It takes an attitude that is going to have to be engendered specifically on the basis of comfort levels within the public service of this province or any other jurisdiction.

That comfort must be based on the knowledge that the information developed in relation to specific personal opinion in a certain circumstance will not become a libellous situation for any of the members of the public service who provides it to a minister, a senior staff member or anyone else in the process of developing policy. There must be absolute security on the part of all members of the public service that their roles as objective and expert informants and developers of information will be respected appropriately in all the activities that take place related to freedom of information.

Perhaps one of the greatest and most important portions of freedom of information is the protection of the privacy of all the individuals who are related to any information developed by government at any level.

I am delighted that the minister has mentioned the improvement in the numbers of women involved in senior ranks of the government service in Ontario over the past decade. Interestingly, that decade coincides with the period in which I have been carefully watching this area of activity, because it is the period during which I have been at Queen's Park.

There is no doubt in my mind that because of the educative process that has been in place, there is an evolutionary activity going on within Ontario. Women who a decade ago or even five years ago were not necessarily intrigued by the prospects of increased responsibility in the public service now are looking carefully and in a very interested fashion at opportunities that are available to them and were available to them in the past, but which for some reason they did not believe were appropriate areas of activity for their participation.

The reason is not necessarily the attitude of the males in society, except perhaps for fathers who want to ensure their daughters participate in roles that are considered feminine. I hope the member for Bellwoods (Mr. McClellan) will remember that when he is busily raising his daughters appropriately in this society.

There must be an understanding in any structure or organization that each individual who is to climb within that organization will do so on the basis of his or her merits and not on the basis of anything else. Gender has no place in the



boardrooms of the nation and gender is not a concern we should even be considering at this point. All we should be considering is the capability, intellectual capacity, cerebral function and ability to get along with other people as the criteria that are necessary for promoting individuals within this society.

That will continue to be the pattern in the Ontario public service. I am sure that activity will be speeded up because girls do not worry about defeating the boys in their math standings in class; that is, provided they continue to take math and their fathers encourage them to do so.

As a result of the stimulus going on generally in the education system and society, I believe we will continue to have an evolution in the direction of equal representation of women at all levels of activity within the public service.

**5:10 p.m.**

The thing I want to see is equal representation of the males in our society at the secretarial and typist levels within the Ontario public service, because that would demonstrate there is real equality. I do not want to see anybody disadvantaged, particularly not males. Lord knows, they are significantly more sensitive than the other gender happens to be and we must make sure we protect their psyches.

**Mr. McClellan:** Some of us have been brutalized.

**Miss Stephenson:** Brutalized? The member will have to tell me by whom later, not right now because that would be privileged information.

I am pleased to know that the job evaluation program which has been going on for some time—I think it is now close to five years, maybe four with respect to negotiations with the Ontario public service—is progressing appropriately and will come into effect for that specific group in the public service. That will ensure that those 14,000 servants in the classifications that carry out different kinds of work will reach some kind of equity in their levels of payment.

There is no doubt that pay equity in the public service is a very significant kind of activity. I would like to ensure it does not cost the taxpayers of Ontario huge amounts of additional dollars to achieve it. Therefore, I question that portion of pieces of legislation which seem to be extant regarding pay equity.

They state very clearly that even though we may find, as a result of examining jobs, that we are paying for certain jobs at a rate significantly higher than their worth, we cannot reduce payment to ensure that someone who is doing something equally difficult, although different,

can be paid more. I hope we will have a little flexibility and understanding of the fact that the cost of pay equity is something with which we should not be overburdening either our economy or the taxpayers, but that we should be treating relatively fairly.

I am interested to know what target groups—whatever they are and I would love to know, if the minister would kindly tell me, which groups she is targeting—are going to be surveyed. I have real apprehension about surveys which look at the numbers of this or that kind of person, if he or she has red or green hair, a mole on his chin or is in some other way distinguishable.

How is that survey going to be carried out without being subject to the real concern of the Human Rights Commission regarding the possibility of violating that kind of concern in this province? I hope the minister will be able to tell us how that is going to be carried out and which group she is targeting at present.

I am personally aware, and the chairman of the Civil Service Commission would be as well, of the activities which have been related specifically to the employment of those with physical disabilities, women, and native people in certain circumstances. I am really wondering what it is she is going to do with respect to developing these targets that will be useful in increasing their participation in the public service of Ontario.

I am sure the minister is aware that the decision to provide the additional benefits and equality of treatment to part-time employees of the public service was begun something in the order of a year to a year and a half ago and has been in the process of being developed since that time. I am delighted it is being done because it provides greater opportunities for reasonable benefits for married women with families than anything we have done in the past. It was a decision of which I thoroughly approved and would support vigorously.

The support of seasonal workers is significant and important, particularly for many native groups, since a good deal of the work of large numbers of native citizens is seasonal in support of programs for certain ministries in government. I am particularly delighted to know that the arbitrator has suggested this is a model which could be used in a number of other circumstances. It was not an easy model to develop and it is one that bears watching.

I am concerned about one area of arbitration and I hope the minister would be able to clarify this, or at least to provide me with a little information. I am deviating a little from the

pattern I was following, which was trying to respond to the kinds of statements the minister made in her opening statement. In the area of negotiations with the public servants of Ontario, which is one of the roles of Management Board, we have come to the point where arbitration is a very common final step before the settlement is reached.

I believe in the year 1984-85 we had nine separate arbitrations of the nine groups within the public service. I wonder whether that is an efficient use of thought processes, or of information, arbitrators and negotiators, on the part of both the union and the Management Board or the Civil Service Commission.

I really wonder whether there is meaningful discussion going on right now between the representatives of the Civil Service Commission in that area and the union about the possibility of grouping some of the classifications of public servants into like, similar or at least not totally alien groups, in order to try to reduce the numbers of arbitrations which would take place and which, I believe, would speed up the process considerably. This would ensure that we were making the most efficient use of the wisdom that is necessary to come to the final conclusions relating to arbitration and agreements.

The concern the minister expressed related to procurement was one which I find interesting. There is not any doubt about the fact that the government of Ontario buys an awful lot of materials. There also is not any doubt that there have been guidelines established related to the processes of tendering and procurement and the general outline of the way in which the ministries were to carry this out, because we have had centralized purchasing within this government for quite a number of years.

As a result of the fact that we had that, there were many small suppliers in many parts of this province who had absolutely no access at all to the possibility of providing government with materials, with services, with any one of a number of the kinds of supplies it needs. It was a deliberate act on the part of the previous government to try to decentralize this, to provide the guidelines about the way in which this would be done, but to provide for much more decentralized purchasing, so that in small communities a branch of a ministry would be able to buy the necessary supplies from the local supplier.

This opened up the field of supply to a significant number of very small companies. I think that has probably increased employment in this province as a result of direct government

action more than any other job creation program of any government anywhere, outside of the local employment assistance program—whatever else those federal government programs or short-term programs were called.

I really would hope that whatever the minister is thinking of, with regard to enhancing the efficiency of government procurement, will not in any way inhibit the availability of that kind of role for many of the small companies in many of the communities that have nothing to do with Metropolitan Toronto. I would ask the minister to please ensure that is so.

**5:20 p.m.**

There is not any doubt either that the public service of Ontario has demonstrated its capacity to become more productive, perhaps more dramatically, than any other public service in this country over the last decade. Its numbers have declined rather significantly. The last decline I saw was approximately seven per cent in total numbers, but the effectiveness and the quality of the service and the amount of service being provided were continuing and increasing.

If there are other productivity potentials to be exploited, I hope this will be done with sensitivity and a good deal of concern for the increased education, training and participation of the members of the public service in the activities that are going to be taking place to improve that productivity.

The constraint program which the minister announced was a part of her activity and that of the Treasurer is one that is commendable. The \$250-million budgetary allocation suggested by the Treasurer is a significantly smaller constraint than the \$300-million constraint that was exercised last year. None the less, it is a very significant and important activity and one that Management Board must pursue if the necessary economies are going to come to pass. There are times when one wonders whether the blood on the floor is worth it, but it is an absolutely essential activity.

Certain of those activities listed may or may not provide any real constraint or any improvement in economy or effectiveness. The removal of the Board of Industrial Leadership and Development program is not necessarily going to be the best thing the minister has ever done, but I am sure it will be replaced by the Liberal Economic Advisory Forum program, where the special friends of the Premier who have paid \$1,000 will be provided with some kind of activity in which they will be able to pursue their support of the current Ontario government.



None the less, I am questioning the minister about the programs included in that \$41-million constraint. I want to know which ones were eliminated from the \$181-million package, which was looked at carefully and considered seriously by the previous government.

I am not informed about the details of that at this point, but one area that has probably been eliminated is one that I know for a fact is a valuable tool to economic growth on the basis of export of some of our expertise, viz., the expertise in the Ontario Science Centre.

A specific small allocation was made through the Ministry of Citizenship and Culture to be directed specifically to the various museums, but particularly to the science centre for the purpose of enhancing its capability to produce science circuses. That is our best selling card in almost all the developing countries. That did not make it, because the science centre has heard nothing about it at all and has not received a cent—

**Hon. Ms. Caplan:** Did Harry Parrott call the member about it?

**Miss Stephenson:** No, he did not call me, and I did not talk to him about it. I talked to staff who knew more directly whether the money was coming in. Staff informed me it was not coming in, and they had been informed it was not going to be coming in.

In the Gulf states, in certain of the developing African states and in the Far East, that is one of the ways in which we can prove that Ontario is one of the places they should be dealing with in terms of increased trade. I would hope it might be reconsidered at some point.

Getting good value for expenditure, including expenditure for the hiring of consultants, is one of the primary goals of most thoughtful and concerned people and of all those who are responsible for the expenditure of government funds. In my time in Management Board there were instances of contract extensions, cost overruns and alleged splitting of contracts. The number of those instances was so infinitesimal related to the total number of consultants hired that, although I think it is absolutely correct to develop a new set of guidelines that may be clearer, I am not sure what is meant by more realistic spending limits or that cabinet approval for major initiatives will be sought. Cabinet approval for major initiatives related to hiring consultants was always sought, but if there is value to be gained from this, I will support it vigorously.

I think the consultants chosen in the past have on the whole provided good direction for the

government of Ontario. I hope that whatever it is the Chairman of Management Board is proposing to do will not in any way inhibit or damage the value of the consultative services that have been available to this province for quite some time.

I applaud the strategy for listing of real property. That is something we had begun related to a significant number of ministries. Bringing it all together is a valuable thing to do. My concern about the inventory is the evaluation process. I must admit that after the collapse of a number of trust companies and several banks, it is perfectly obvious that the evaluation of real property plays a significant role in the future of whatever enterprise one is involved in if one acquires and holds real property.

Therefore, I ask that the minister make sure we do not evaluate on a Rosenberg kind of basis or that we do not have the kind of evaluation that occurred in Alberta. I think that was directly responsible for a significant concern by those who are responsible for the Alberta heritage savings trust fund, since some of those values that were obviously very much overvalued now have to be paid out of the heritage fund in that province.

The acquisition of property is something I do not think the government needs to be terribly concerned about, because it seems to me we have enough. If we can manage to make do with a little less, that is the kind of program I thought we were involved in. I thought the Ministry of Government Services was actively pursuing getting rid of some of the properties it already has. I hope we will continue in that direction because I am not sure, even though I heard the minister say it in her capacity as Minister of Government Services, that it is always better in the long run to own the property one is going to occupy.

I must tell the minister I believe we do not know enough at this point about what the structure and organization of government service and offices will be in 20 years to know exactly what we are going to need. However, I warn the minister that I think there is going to be a good deal less real property than we have now.

I believe the appropriate integration of information technology into government activity will decentralize government service even more dramatically than we could have tried to do by moving east or west of Yonge Street—or north for that matter. We may turn out to have plantation-like holdings we would like to divest ourselves of in the not-too-distant future. I am not sure we know at this point precisely what the organiza-

tional pattern and requirement is going to be for that period of time, to know whether we should continue to acquire property or whether we should divest ourselves of everything we have outside of what we actually need right now.

The whole area of information technology is one in which I am particularly interested, having had an opportunity to examine the studies and to be part of the review of the 27 recommendations, which I am pleased to hear the minister say now are in the process of being implemented.

**5:30 p.m.**

I am particularly interested in the office of information technology. I am intrigued to know where OIT is going to be situated and what its role is going to be. Will it be an agency separated, as I think perhaps it should be, from all operating ministries, including Management Board? Will it be a separate entity that provides the saddle-burr kind of irritation that keeps everyone on his toes in relation to information technology? I wonder whether that might not be a good idea too; or is it going to be integrated, as we have done in the past—I think mistakenly, particularly in the operating ministries?

This brings me to one area that I hope the minister is going to resolve: the separation of functions of human resources development. Her other ministry has an area of activity that I think is an anomaly in the Ministry of Government Services, and that is the counselling service to members of all ministry staff, or the provision of that kind of service across the board, which comes through Government Services instead of through the Civil Service Commission's human resources division.

It seems to me that expertise in human resources development is or should be concentrated within the Civil Service Commission and that the very significant part of human resources development that relates specifically to the kinds of counselling that are necessary to ensure that the appropriate development takes place should be a part of that role as well, rather than in the Ministry of Government Services, where it sounds a little more like oiling widgets than it does like serving people appropriately. I am not in any way denigrating those who provide the service in that area; I just think they are in the wrong place.

The whole area of information technology is bound to have a very significant impact on the public service of this province; and it is an impact that, as some of the recommendations demonstrated very clearly, should be considered seriously by members of the public service as well as

by the management group within government. The activities that relate to the integration of the new directions in information technology are absolutely essential if productivity is going to increase and if there are going to be improvements in the quality of service the government can provide to its citizens. If we are going to do this efficiently, effectively and without breaking the backs of the taxpayers, then information technology must be integrated. However, it seems to me it has to be done with the full participation of those who are going to be actively involved in using that technology; that is, the end-use group must be a part of the deliberations that relate to the way it will be done appropriately.

I am pleased to know that the Information Technology Advisory Council is still in function; and I ask the minister to satisfy my curiosity: who has replaced Walter Light as a member of that council?

**Hon. Ms. Caplan:** He is still there.

**Miss Stephenson:** That is good. If the council is still intact, then the minister has an excellent and stimulating advisory committee that will keep her on her toes, I can tell her. It will also tell her without any compunction precisely where she is going wrong every day of the week, and that is a very good kind of criticism to have.

In the area of accountability, who can question whether accountability is appropriate? Everybody believes that everybody should be accountable. There is no doubt in my mind that the minister believes her commitment to accountability is greater than our commitment to accountability was. I think she is wrong, but she will find out that accountability is an exercise that is absolutely essential if we are going to ensure we are serving the public in the most appropriate fashion.

I am delighted to know there is going to be a comprehensive review of the effectiveness and the efficiency of all government activities and that the minister is going to be looking after this. I am also delighted to know the criteria are being drawn up.

However, I would like her please to explain the absolute jabberwocky that is included in her opening statement on these two fundamental principles. They are marvellous, absolutely delightful statements that mean nothing. I particularly hope she will clarify for me what the first one means: "A successful program review requires an ongoing effort applying different approaches for different activities." Everybody knows one has to apply different approaches for



different activities. Is that really the fundamental principle upon which this is based? If it is, may I suggest the minister go all the way back to square one and start over in developing principles. If that is what the criteria are being established on, we might as well stop right now because I do not think we are going to get anywhere.

The minister suggests that selected reviews will begin in the near future, and I want to know whether she means selected or selective; and if they are selected related to ministries, I am curious as to which ministries she is going to start with and which are going to be left in the lurch, fainting from lack of attention in this area.

**Mr. Philip:** They are going to start with the Treasury.

**Miss Stephenson:** They are going to start with Treasury? Good idea.

**Hon. Mr. Nixon:** Did the member know they just unveiled her picture in Treasury?

**Miss Stephenson:** No, I did not. My friend probably hit it with a hammer as it was unveiled. This is a diversion, Mr. Chairman. We were participating in a small ceremony in the Ministry of Education on Thursday last in which there was an unveiling of several portraits.

**Hon. Mr. Nixon:** We must have a ceremony.

**Miss Stephenson:** Well, the Treasurer did not invite us.

**Hon. Mr. Nixon:** Was lunch served?

**Miss Stephenson:** Lunch was not served, but refreshments were served and it was very pleasant, thank you very much. It reminded me of an occasion when there was an unveiling of the portraits of all the ministers responsible for colleges and universities, plus the one deputy who had been responsible during all those years. The deputy, who is something of a poet, or who aspires to be something of a poet, as I am sure some members know well, wrote a triolet and it began with these immortal words which I have never forgotten, "Tis better to be hung than hanged." I agree; that is the way I feel about portraits.

With that diversion, may we revert to the statement of the Chairman of Management Board. I believe there is, and has been for at least the past couple of years, a very strong commitment on the part of the then government, the now government and the senior staff that the accountability of ministers and deputy ministers, which was not in any way in question, had to appear to be more visible and more clearly understandable to all those who were going to be related to their areas of function. I think that activity has begun

in a number of ministries in a very appropriate way. Even before this process began, many of them were requiring it of themselves.

The Manual of Administration needs clarifying; it is far too big a tome and far too wordy. It is a little like the Education Act, which really should be rewritten in 40 pages. The Manual of Administration could be rewritten in about 100 pages, and it should be written in language that everyone can understand instead of the complicated legalese which always seems to flow into whatever government activity we become involved with. I sometimes share the concern expressed by the current Treasurer about the fact that governments seem to become so involved in the law that we spend all of our time making sure all of the lawyers we graduate are going to be employed for ever.

**5:40 p.m.**

There are one or two other items I would like to raise with the minister. One has to do with an activity in which we became involved last year and which I think is essential; that is, the clear expression of a guideline for levels of emolument provided to individuals who were hired on contract, particularly within ministers' offices. At a time when there was an opportunity to provide the possibility of participation in the pension programs for certain of the long-term contract people, as Chairman of Management Board I required from every minister a listing of all employees, including support staff such as word processors and secretaries—when I talked about my staff, it included all those people—and the levels of remuneration.

I am asking the minister whether that initiative has been pursued, whether she has that information and whether the guidelines regarding the levels of remuneration for executive assistants, policy advisers—whatever they are—administrative assistants and others is something Management Board is establishing and monitoring to ensure there will be the appropriate kind of direction for ministers.

It is unseemly for population explosions to take place within ministers' offices. Although I had to apologize for having seven people when I first moved to Management Board, I knew three were leaving shortly. The numbers present in some ministers' offices are a little overwhelming. One wonders whether they are essential.

It would be useful if we could counter the concerns being expressed by some people who are coming into contact with ministers' offices, not within my area of activity on this side of the House, but by citizens with whom I have talked.

It might be possible to allay some of those fears by providing information on the specific numbers in ministers' offices, and particularly the levels of remuneration being made available to them.

There will undoubtedly be other questions resulting from the discussions in these estimates, and I will pursue them at that time.

**Mr. Philip:** There are a number of fairly complex issues I want to raise with the minister. I hinted at some of them in previous meetings with the minister after she took on her new office and expressed some of my concerns. I want to deal with some of those issues before getting into the sale of certain land properties, as I promised. She will probably tell me that she does not have the documents for them because they relate to the mismanagement of the previous government. None the less, as a courtesy to her, I would like to comment on a few of the items in her opening statement.

On page 3, the statement that the introduction of progressive and long-awaited legislation concerning freedom of information would somehow make information more available to parliament is one that is still open to debate. Until such time as we have that legislation before committee—I have some concerns about certain restrictions in it—we will wait to see how accessible information is to parliament.

I will deal with some of my concerns about civil service issues later and deal now with the issue the minister raised about centralizing purchasing and how certain cost efficiencies could be rendered. In no way does that necessarily mean that small manufacturers and businesses are excluded. If it is combined with the other statement she made, namely, that for the first time we are going to have a blueprint of how any manufacturer can gain access to government contracts and bid on them, it opens up the process rather than centralizing it.

My criticism of the government over the years has been that I have had manufacturers in my riding who wanted access but who had no way of finding out which routes to take. It was a constant process of calling one ministry after another trying to find out what was available, what they were using, how they bid on it, and so forth. If the manual that opens it up is available, as she has promised, then it seems to me the small businessman in my riding, or in Muskoka or wherever, has much easier access. Therefore, I think it is a welcome move.

Indeed, if we look at the report in the United States by J. Peter Grace called *War on Waste:*

*President's Private Sector Survey of Cost Control*, as I am sure the minister may have done when being briefed, in which he has studied some of the problems in the American system, we can see that centralized purchase and the overall co-ordination of the use of space and purchasing equipment has some applications to Ontario and, as has been suggested in the United States, may save the taxpayers not just thousands but millions of dollars.

It makes the system more open. It also makes it less open to suspicion that, somehow, if one knows the local politician or if he has an in with the minister, he can get one a contract. I can assure the minister that has been something with which we have been faced over and over. The feeling was particularly prevalent with respect to obtaining the franchise to sell Ontario lottery tickets, and the Provincial Auditor has commented on it.

When we have an episode, as we had with Ontario Housing Corp. year after year, and the issue is raised in the Provincial Auditor's report this time, in which a company is actually set up—would anyone believe it?—deliberately to deliver one major service to a government agency, then it is no wonder people are suspicious there is a behind-closed-doors patronage system at work, and that it is not how efficient one is or what service one can provide but who one knows. I suggest we are looking forward to that manual, or whatever she wishes to call it, that will tell any manufacturer in Ontario exactly how to do business with the government and how to deal with it in an open way.

I would appreciate some elaboration of the statement on page 9 concerning the hiring of consultants. I have been concerned that in individual cases there have been instances in which government employees could have been used in an effective way by ministries as consultants and instead we opened it to outside people who, quite naturally, charge what the market will bear. I think there is some need also to control in a very direct way and to establish conflict-of-interest guidelines dealing with consultants who were former employees of the public service.

I would be the last one to say that because someone happened to be a public employee he should not do business with the government. To do so would be to restrict certain very qualified people. I can think of people on the Ontario Securities Commission who have come in from outside, offered a good service to the government



and, in turn, see it as their contribution to public service. They often take a considerably lower pay than they would get in the private sector. They come in, give that three or four years or whatever it is, and then go back out.

However, at the same time we need some fairly clear guidelines about who the consultants will be and what kind of steps should be taken to ensure there is not a conflict of interest in hiring consultants and consulting firms.

The minister talks about the whole problem of government advertising, and I am pleased to see she talks about reduction. But it is not just a matter of that: it is a question of what constitutes government advertising, what policies are related to it, what the review of it is to ensure there are clear-cut objectives, that those objectives can be examined by anyone, including the Provincial Auditor, and that we somehow measure whether or not those objectives are being met.

**5:50 p.m.**

It seems to me, and to some of my colleagues who have introduced private members' bills on this, that often in the past what has been passed off as government advertising has been purely government propaganda. This problem is not unique to Ontario. There have been other provinces whose advertising I have seen that have been equally abusive of the taxpayers' purse.

I suggest, though, that certain things can be done and that a select committee or an all-party committee could deal appropriately with the topic and give some advice to the minister. Unless the government does that, then whether it gets value for money for the propaganda it is sending out is really of less concern than whether it is sending out propaganda rather than government information.

My colleague has mentioned that perhaps there should be a moratorium on all government advertising from the moment a writ has been issued and that there is no place for government advertising during an election campaign. That may well be something that should be looked at.

I look with concern at the first page of the auditor's report, which was tabled last week. In it he says:

"In many of our audits throughout the year, we undertook to assess management's concern for economy and efficiency in the conduct of their operations. We felt that improvements were required in this regard, particularly in our audits of the ministries of the Attorney General, Government Services, Natural Resources and the Solicitor General."

I would think this minister, as Minister of Government Services and as the minister responsible for overseeing the efficiency of all government ministries, would be particularly concerned, not only that four ministries have been singled out as having ineffective internal auditing procedures but also that MGS falls under that criticism by the Provincial Auditor.

I am also concerned that when I examined the auditor's report I found no fewer than seven ministries or bodies that had what amounted to repeat performances for essentially the same problem. There were the Ontario Place Corp., the Ontario Lottery Corp., the Ministry of Transportation and Communications regarding unclassified hiring practices; the Ontario Cancer Treatment and Research Foundation, the Ontario Heritage Foundation and Algonquin College of Applied Arts and Technology. I assume that if I looked through it even more conscientiously and in even greater depth I might even find some others.

It seems to me there is a basic problem when the auditor comes back to the public accounts committee and to the Legislature year after year and says: "This problem is not resolved. This ministry is still making the same mistakes over and over again." It suggests to me that someone has to be directly responsible in the Chairman of Management Board portfolio who on a consistent and persistent basis year after year does a follow-up to find out exactly what is happening on those comments and criticisms of the Provincial Auditor.

I am not sure exactly how one deals with that problem. Perhaps it should be someone immediately under the direction of the Chairman of Management Board. Perhaps what is needed is the kind of public audits committee that was proposed in the United States. This committee would have similar policies, only it would be under the Chairman of Management Board. It would be responsible for the development and execution of a comprehensive and co-ordinated long-term audit plan, including prioritization of audit coverage in high-dollar-risk environments such as social programs, procurement, inventory management and financial management; the effectiveness of and compliance with government policies and procedures at all levels of management; the effectiveness of management controls to increase operating economies and efficiencies; the evaluation of internal controls and accomplishment of stated policy objectives; the follow-up of management's implementation and audit recommendations; the follow-up of

various commission recommendations directed towards improvement of government operations; the need for updated computer and other state-of-the-art auditing techniques; and the need for increased co-ordination between the various audit organizations in the selection of audit targets.

That dealt with a different jurisdiction and different problems, but it seems to me there has to be somebody, not in the Provincial Auditor's office but in government, who is responsible for co-ordinating that kind of operation. It is fairly clear that was not happening under the previous government. When I asked the Chairman of Management Board certain specific questions on several occasions about what was happening in specific ministries, he said to me, "If you want the answers, why do you not ask the Provincial Auditor?"

It is not the role of the Provincial Auditor to deal with the problems of ongoing finances. The Provincial Auditor is there in the capacity of examining what has been done. In a sense, he is the fellow who says, "The horse is being let out of the barn; you had better repair the barn."

What is needed within the government is somebody who is on top of things and who has a co-ordinated all-ministry function to ensure there are efficiencies, that the internal audits are being performed and there is value for money. Management Board has not carried out that function. When we talked to the previous minister he talked about the value of the integrity of individual ministries.

Where was the value of the integrity of individual ministries when contracts were let over and over again without tender? Where was the value of the integrity of individual ministries when we had one minister who, when caught,

said: "All ministers do this. I have spent thousands of dollars on consultants to write speeches for whatever purpose. I have not let them out to tender, but all ministers do it."

That was his response. Obviously, there was a problem. When we questioned the Chairman of Management Board at that time, he said, "We have to accept that all ministers are honourable, can read the Manual of Administration and are doing their job." I suggest that was not happening.

While the minister who gave the excuse that all ministers were guilty of the same sin may have been over-exaggerating to try to save his own neck, there still was a persistent problem. It shows up in the Provincial Auditor's present report and it showed up in previous reports. I mentioned Ontario Housing Corp. as an example. There are other examples, such as the Ministry of Tourism and Recreation, the Board of Industrial Leadership and Development program and so forth.

Nobody is doing the job centrally. Should somebody other than the Chairman of Management Board be responsible for that function? It may well be we have to look at two things: at the possibility of a controller-general of some sort who fulfils that function and who may respond to parliament through the Chairman of Management Board or through some other process; and at somebody on the front-line who deals with what will happen and who is the equivalent of the Provincial Auditor dealing with what did happen.

On motion by Hon. Mr. Nixon, the committee of supply reported certain resolutions and also reported progress.

The House recessed at 6 p.m.



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Ontario

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# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**First Session, 33rd Parliament**

Monday, December 2, 1985

Evening Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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# LEGISLATIVE ASSEMBLY OF ONTARIO

Monday, December 2, 1985

The House resumed at 8 p.m.

## ONTARIO LOAN ACT

Hon. Mr. Nixon moved second reading of Bill 43, An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund.

**Hon. Mr. Nixon:** The 1985 Ontario Loan Act will provide the government with the borrowing authority necessary to meet the financing requirements forecast in the 1985 budget. In addition, borrowing authority will also be sought for the period from April to September 1986. The authority to borrow \$2.8 billion is being sought in the 1985 Ontario Loan Act. Any unused authority will lapse on September 30, 1986.

As outlined in the budget, the government intends to borrow from three sources—the Canada pension plan, the teachers' superannuation fund and the public capital markets—by continuing the Treasury bill tenders at current levels. The budgeted net cash requirements for 1985-86 are \$2.213 billion. During that year some \$354 million of loans will also mature and will be refinanced.

In accordance with the procedure recommended by the standing committee on public accounts in 1978, borrowing authority is being requested to permit borrowing of amounts offered by the Canada pension plan and the teachers' superannuation fund in the period from April 1 to September 30, 1986.

Just before I resume my seat, the other House leaders were good enough, with the co-operation of their caucuses, to agree to debate second reading of this bill at this time with the understanding that at nine o'clock we would turn to the second order of business, An Act to amend the Assessment Act, when the critic for the official opposition will be present.

**Mr. Andrewes:** Mr. Speaker—

**Hon. Mr. Kerrio:** The member should quit now while he is ahead.

**Mr. Andrewes:** That may not be a bad idea.

I am very pleased to join in this debate, particularly since it is my first opportunity as the Treasury critic for the official opposition to speak in the debate on budget bills. I am pleased that the Treasurer's wise men have now joined him under the gallery; I believe they are all here. They will

no doubt be able to provide the sage advice we expect of them and to answer fully the comments of the opposition members.

I have now been in this Legislature some four and a half years and I have always regarded it as a very valuable learning process. I have learned a little bit about the procedures of the Legislature. Perhaps the Treasurer will continue to enlighten us on the proper procedures when we do stray from the very definite pattern and programs he has set forth.

I have learned a little bit about the cut and thrust of debate, because I think it is important that members do participate on both sides of the House in what often becomes a somewhat partisan debate but actually adds considerably to the whole lively atmosphere of the House. I must say I have learned a good deal from my colleague the Treasurer in watching him these four and a half years. I find him an excellent teacher and on occasion a mentor.

However, Bill 43, the Ontario Loan Act, 1985, continues a practice that was put in place by the previous Progressive Conservative administration. There is nothing new about this practice. There is nothing radical about it. Therefore, it is perhaps somewhat difficult to know what to say.

Before the member for Niagara Falls (Mr. Kerrio) suggests I sit down, I want to tell him I have a few brief, succinct and direct comments I would like to make to the Treasurer, which I hope will elicit some answers from him about this particular bill.

**Hon. Mr. Bradley:** Did the member for Lincoln (Mr. Andrewes) go to the same barber as the Treasurer?

**Mr. Andrewes:** I do not know. The Treasurer tells me he goes downstairs to get his hair cut. I would not dare do that. I find it is much more beneficial to me to go to Tony, the local barber in the town of Beamsville.

**Mr. Speaker:** The member referred to straying a little earlier.

**Mr. Andrewes:** I am sorry, Mr. Speaker. Perhaps I have been invited to stray. I do not believe Earl's provides barber services.

**Hon. Mr. Kerrio:** This is heady stuff.

**Mr. Andrewes:** Through this bill, the government is seeking the authority to borrow up to a total of \$2.8 billion from two nonpublic sources—the Canada pension plan and the teachers' superannuation fund.

**Hon. Mr. Bradley:** Those are good people.

**Mr. Andrewes:** They are wonderful people. The member for St. Catharines (Mr. Bradley) would know well of what we are speaking when we talk about the teachers' superannuation fund. I am sure he has made some deposits in that fund over the years and wants to be assured they are resting comfortably and earning tremendous returns for his future.

**Hon. Mr. Bradley:** I know somebody else who would feel the same way.

**Mr. Andrewes:** If the member is speaking of my wife, I will tell him she took her benefits back from that fund, such paltry amounts as they were, because teachers back in the early 1960s were very much underpaid, certainly not as well as they are today. They have managed to improve their lot.

According to the provisions of the bill, any unused borrowing authority will expire on September 30, 1986. It is certainly our hope the life of this government will expire long before the borrowing power set forward in this bill.

I am very surprised that my friend the member for Brant-Oxford-Norfolk (Mr. Nixon) is introducing a bill that would enable him to borrow some \$1.15 billion from the Canada pension plan and about \$1.2 billion from the teachers' superannuation fund in the fiscal year. After all, it was little more than a year ago that the current Premier (Mr. Peterson), the member for London Centre, was proclaiming the province would not be able to repay the moneys owed to pension funds and to the Canada pension plan in particular. Those quotes were offered and the same kind of question was asked of the Treasurer today.

The Treasurer may recall his leader enlightening the House about how Ontario has abused its pension funds and that tax increases would be required to help repay these debts. The Treasurer may recall the member for London Centre, who was then the leader of Her Majesty's loyal opposition, asking the then Premier and member for Brampton, and the then Treasurer, my colleague the member for St. Andrew-St. Patrick (Mr. Grossman), if their government intended to pay back the money owed to the pension funds and how it intended to raise the money to do so. Again, the same question was asked of the Treasurer today.

**8:10 p.m.**

The Treasurer may have forgotten his leader's concerns about the ability of Ontario to repay its debts to the pension plans, particularly the Canada pension plan. To remind him of some of these bits of history, I have chosen a rather selected quote, Mr. Speaker, which, with your permission, I would like to refer to. It comes from Hansard of April 18, 1984, and was asked during the question period. I cannot find the exact time, but it was some time during the afternoon of April 18, 1984.

The then Leader of the Opposition said to the then Treasurer, "The Treasurer will be aware, too, because of the studies he has looked at, that the Ontario Economic Council study said Ontario is so successful in laying off its debts in slush funds that more than 130 per cent of the net debt of the province is held by the Canada pension plan and the big-five public sector plans."

Before I go too much further, I want to emphasize that the then Leader of the Opposition, the member for London Centre and now Premier, was quoting from a study done by the Ontario Economic Council. That term may not be too familiar to you, Mr. Speaker, but I am sure it is to the Treasurer, and I am sure he would want to rethink his position with respect to that learned body of thought.

The question put by the then Leader of the Opposition to the then Treasurer was, "What impact is that going to have on the taxation of this province as the Treasurer now starts the process of repaying those pension funds, as he now starts paying for the Davis deficits and for the sins of his predecessors?"

That is only one of several selected quotes I could offer tonight, but it drives home the point I was trying to make.

**Mr. Foulds:** Especially the part about the Davis deficits.

**Mr. Andrewes:** What was that?

**Mr. Foulds:** If the member does not get it the first time, he does not get it.

**Mr. Andrewes:** That would not be the first instance of a selective memory lapse on the part of the members opposite since they assumed their responsibilities as a government. Fortunately for us and those members who would like to indulge in selective memory lapses, we have Hansard to help us deal with these problems of failing memory.

The concerns of the member for London Centre about borrowing from what he liked to describe as captive pension funds must have been



left under his desk when he moved from this side of the House to over there. We have not been able to locate them, but we suspect there was a mass shuffle of these desks at some point and they may be under some other member's feet at this very moment.

The fact that we have before us a bill introduced by his government which would continue the practice of nonpublic borrowing by the province shows that the allegations the now Premier made more than a year were erroneous and as irresponsible as they were erroneous.

I must assume the Premier would not permit his government to raise funds by borrowing from pension plans if he had the slightest doubt about the ability of the province to honour that debt. I assume the Premier and his colleague the Treasurer, now that they are the government and have a better understanding of the province's finances and the way in which the province manages its responsibilities, recognize that their earlier charges were unfounded and had the effect of misleading the public, of alarming senior citizens who are the beneficiaries of the Canada pension plan payments, senior citizens who had placed their trust and confidence in this plan, many of whom depend on the benefits of this plan for their very existence.

No doubt the Premier now shares the views of his Treasurer regarding the creditworthiness of this province and its ability to honour its financial obligations. Those views were so eloquently expressed in a press release that came from the office of the Minister of Treasury and Economics back in the lazy, hazy days of summer, while the Treasurer was about some urgent public business in parts unknown and probably untravelled, certainly untravelled by the members of Her Majesty's loyal opposition.

However, since the Premier has in the past voiced some concern about the province's ability to meet its pension fund debt obligations, I believe it is legitimate for us to ask that this administration, in seeking borrowing authority, provide us simply with some indication of how it intends to honour these obligations. It is a fair question. The Treasurer was asked that question today. He diverted our attention by moving to some other catchy subject, such as how much CPP payments will be increased to buoy up the funds in order to sustain them on into the future. However, it is a fair question and I believe it deserves a fair, clear and succinct answer.

The member for London Centre has in the past suggested that the government of Ontario would be able to pay off the debt owed to the Canada

pension plan only by raising taxes, if members can imagine that. I hope the Treasurer or the Premier, in responding to this debate and to questions raised by my colleagues, will at some point in the near future indicate to us in this House and to all the people across this province whether they anticipate another round of tax increases to fund this debt.

My colleague the member for St. Andrew-St. Patrick, the leader of the Progressive Conservative Party, indicated last year that we believe a continuing expansion of economic activity would generate the funds needed to service the debt without tax increases. Since the budget introduced by our friends opposite will do nothing—

**Mr. Haggerty:** The member's party has raised taxes since 1970 and increased the provincial deficit for all those years.

**Mr. Andrewes:** The member for Erie should pay attention to this. He will want to listen to this very carefully.

**Mr. Haggerty:** Do not talk to us about prudence.

**Mr. Andrewes:** I know his ears are closed, but he is a very broad-minded individual and I think he will want to hear this.

Since the budget introduced by our friends opposite will do nothing to sustain and encourage economic activity, it is indeed possible that they will have to increase taxes to service this debt. That is the usual way one repays debt. We think it would be the logical way for this government to seek to pay off its obligations.

In spite of the fact that the Liberal government has pursued budgetary and fiscal policies that have resulted in the downgrading of the province's credit rating, Ontario is able to continue its prudent debt retirement practices, which enabled it to repay nearly \$2 billion in the past decade.

**Hon. Mr. Nixon:** That is not important for now.

**Mr. Andrewes:** I am sorry. I thought I was getting a missive that would inspire me—

**Hon. Mr. Nixon:** It is signed "Larry" and it says the member has spoken long enough.

**8:20 p.m.**

**Mr. Andrewes:** I cannot believe that.

When the Treasurer has his opportunity to speak in this debate, I believe he will confirm that in the next 10 to 20 years, debt repayments by the province, including Canada pension plan repayments, are projected to represent an average of 1.7 per cent of annual revenue and are not

expected to account for more than 2.5 per cent of revenue in any single year.

The province then is well positioned to meet its obligations and responsibilities, due in no small degree to the former administration's responsible management of the public purse, in spite of the fear-mongering of the member for London Centre now the Premier, and in spite of the Treasurer's attempt to divert us from this train of thought in question period today. That is not to say all of us in the House must not be concerned about the level of government borrowing from nonpublic sources such as pension funds.

When in government, it was the view of our party that it was essential to stabilize and reduce public-debt interest charges to maintain fiscal stability and enhance our ability to fund important and necessary programs and services. Public-debt interest charges, however, continue to be one of the fastest-growing areas of expenditure, not only for this government but also for other governments in this country.

For instance, we saw in the Toronto Star on the weekend that the federal government inherited problems. There was a quote from none other than the member for London Centre, who said he did not blame the current government for attempting to tackle a heavy deficit problem, because it inherited those sins from its predecessor, a Liberal administration.

I note that in this fiscal year about 12 cents of every expenditure dollar in the budget of Ontario will be used to service the debt. If that figure is not correct, the Treasurer may want to make sure the record stands corrected. At \$3.2 billion, the public-debt interest charges exceed budget plan expenditures for all but two ministries of the government, the Ministry of Health and the Ministry of Education, the two big spenders the Treasurer has to contend with.

While our level of funded debt in relation to the size of our economy will remain stable in this fiscal year, public-debt interest charges will increase by 12.2 per cent, a growth rate greater than that experienced in the expenditure envelopes of most of the government's ministries. If the Minister of Agriculture and Food (Mr. Riddell) were here, he would want to interject to tell us of his great plans. However, he would only be taking credit for a process that was begun and was already put in place by a previous Progressive Conservative administration.

These facts must be of some concern to the members of all parties in this Legislature, and I believe they should be of genuine concern to the Treasurer. Therefore, it is disappointing, to say

the least, that the Treasurer in his budget did not do more to reduce the deficit and stabilize our public-debt interest charges. The fact that his budget has resulted in a downgrading of the credit rating will increase our debt service cost by up to \$300 million over the term of our debt, an increase that to my mind was unnecessary and avoidable.

The fact that this budget has increased our net cash requirements in the fiscal year by some 30 per cent, while at the same time imposing more than \$750 million in new taxes on the people of Ontario, indicates to me that this is a government that has neither the commitment nor the determination to make the decisions needed to maintain the fiscal health of this province.

I am not claiming that the responsibility for the total funded debt of the province should fall totally on this government. The debt was incurred by Progressive Conservative administrations—

**Mr. Haggerty:** Since 1970.

**Mr. Andrewes:** —and was invested in services and projects of lasting value to the people of Ontario.

**Mr. Foulds:** Like Minaki Lodge.

**Mr. Andrewes:** The member for Erie interjects. He will not tell us of the substantial government investments in his riding over the years. Does he want to enumerate them? He has forgotten about them.

**Mr. Haggerty:** Not like Minaki Lodge.

**Mr. Foulds:** The Tory members say they did fine, but they also claim other ridings did not get anything because they did not have a government member. You cannot have it both ways.

**Mr. Andrewes:** My colleagues are urging me on, Mr. Speaker. My apologies.

I say again to the member for Erie that the Progressive Conservative administration invested shrewdly in this province in projects of lasting value to the people.

**Hon. Mr. Nixon:** Like Suncor.

**Mr. Andrewes:** I hear the recounting of Suncor. Let us be clear, in the period between 1975-76 and 1984-85, Progressive Conservative governments invested about \$18.5 billion in strengthening and improving Ontario's social and economic infrastructure.

**Mr. Epp:** In Tory ridings.

**Mr. Andrewes:** No. In the riding of the member for Waterloo North too.

Over that same period, Progressive Conservative governments improved the province's ability



to service its funded debt. For example, 12 years ago it would have taken us 14 revenue months to repay our funded debt totally. That was in 1973. I was a mere youngster then.

**Hon. Mr. Nixon:** He was working for a living then.

**Mr. Andrewes:** I was working. I was making an honest living, the Treasurer reminds me. At the beginning of this decade, it would have taken us about 13 revenue months to pay off the funded debt. That was about 1980, and I was still working and making an honest living only to be provoked by the then opposition parties in the Ontario Legislature to jump into this—I was going to say “circus”—noble estate in which I now find myself.

**Mrs. Grier:** Does the member consider this to be an honest living?

**Mr. Andrewes:** Sometimes.

In the past fiscal year, we could have liquidated our debts in under 12 revenue months. So we have experienced a real improvement in our debt service capability, an improvement I hear the 1985 budget brought down by the Treasurer will jeopardize.

This government is asking for the authority to borrow what by any measure is a substantial amount of money. How the government proposes to spend that money is still largely a mystery. It is probably the best-kept secret those planning the Liberal strategy for the next election have ever had.

**8:30 p.m.**

The budget was very short on new and substantive programs and very vague on details of the few new programs it did implement. For example, the long-awaited housing programs—and I am glad the minister is here to hear this—about which we heard a great deal of rhetoric prior to that budget, were missing; they were not there. Early fall has passed. We are now into late fall and near winter, and we are still waiting patiently, as are those thousands of people in this province, in this city, who sit in this very cold night waiting to find themselves sheltered by some affordable housing. They are waiting; we are waiting.

By contrast, the budget was long on tax increases and quite specific about the details of how the government was going to make available to itself a huge new pool of funds—a war chest, so to speak, if I can use that term perhaps somewhat loosely.

Certainly the funds raised by this government through its tax increases and deficit will not be

exhausted by expenditures on the programs announced in this budget. It is far from clear to me, and I believe it is an impression shared by many members in this House, just how much of that new, large, revenue pool will be used to reduce the deficit and stabilize the provincial debt.

While the government has frequently spoken of its commitment to deficit reduction, its actions, certainly in this budget, have not matched its rhetoric. In the absence of any clear and comprehensive strategy for deficit reduction and debt stabilization, we find it difficult to support this bill, which would empower this administration to borrow nearly \$3 billion.

**Mr. Foulds:** I had not intended to spend a lot of time speaking about the bill, but the previous speaker's remarks so provoked me that I will take at least a few minutes.

What a difference the geographic change of 25 feet can make, and I say this about both parties I am addressing in this Legislature. It does my socialist heart good to see the arguments put forward by both parties with regard to this bill. They are the same old tired arguments. Only the actors have changed. The Liberals are now spouting the lines that the Tories used a mere short year ago, and the Tories—somewhat reluctantly, somewhat wishy-washily, without quite the conviction that the former official opposition had—are making the arguments the former opposition made. The speeches and actors are the same. It is just like Othello and Iago; they have exchanged roles somehow.

I am not quite sure whether the Tories are voting for this bill. They said they found it difficult to support, and yet during the whole course of debate on all these budget bills they have assailed the government for losing its sacrosanct triple-A credit rating. The official opposition knows full well that if it votes against this bill and it is defeated, the double-A-plus credit rating will be shot into smithereens, let alone the triple-A rating that it clutched to its heart like some sacred shibboleth that it must forever hold as a Holy Grail to be achieved. I want to tell the members, it ain't going to happen.

I am very tempted to suggest that we not support the bill because of the arguments the government and the official opposition have taken with regard to the bill. I know, however, that would be irresponsible and not in the best interests of the province, either fiscally, economically or socially. Therefore, even though I have had to put up with the arguments put by these two

parties in reverse—the Liberal-Conservative coalition flip-flop; whatever one wants to call that combination or permutation—we in this party will support the bill as we have when it has come up for debate in the past and as we will in the future.

We in this party see nothing wrong with borrowing when that money is used for useful purposes, socially, economically and fiscally. We in this party do not like deficits any more than anybody else, but we see that it is necessary occasionally to have a deficit as long as it is kept under control and used for useful social and economic purposes.

**Mr. Jackson:** It is a creative tool.

**Mr. Foulds:** Indeed, it is a creative tool. Deficits and their curtailment, and the holding of the triple-A credit rating as sacrosanct, should not be used to keep the poor poor as the previous government did for the past seven years. Frankly, I am worried about the present government because it is making the same speeches.

I would be much happier about voting for this bill if, first, we did see concretely in place the housing program so often promised by this government in the past and promised by the minister by early or late fall. On December 2, the fact that the Minister of Housing (Mr. Curling) is signing his Christmas cards in the House and has not yet announced the concrete details of the housing program is a dereliction and abdication of duty and a failure on the part of that minister and this government.

Clearly, those housing starts had better be firmly in place before Christmas, because when it is minus 17 degrees in Thunder Bay on an ordinary day like today and minus six degrees in Toronto when I arrived, it is not fall; it is winter and almost, if I may say so, the dead of winter. That housing program had better be good, fast and solidly in place.

**8:40 p.m.**

Second, we said at the time that the budget failed in two fundamental areas. First, it failed to develop an idea or a vision of the economy of northern Ontario as it should be developed. When one can have, in all of northern Ontario, merely four manufacturing plants that employ 250 people or more, other than those related to the resource industries—and that is the entire manufacturing sector all through northern Ontario from the Quebec border to the Manitoba border, an area larger than France—that is shameful and scandalous, a failure of the previous government and a failure of this government unless it acts.

Only when this government begins not merely to tinker with the economy, not merely to do the symbolic thing economically but to do fundamental things in changing the government, will it have anything like our full confidence. I say that very clearly.

Third, this government did absolutely nothing in its budget to use the money it is requesting, which will be part of the deficit, for genuine job creation for those 25 years old and older. The unemployment of working men and women, working couples, is a tragedy and that tragedy has not been addressed. It will not be addressed this winter and that is a shameful and shocking thing.

In other words, although we see the need for this bill and for the deficit, we do not see the funds being used as creatively as could be done with regard to job creation. This government, even at this late date, even before the House adjourns in December, could bring forward a community-project program to create jobs in housing and municipal projects.

**Mr. Haggerty:** Winter works.

**Mr. Foulds:** Every municipality in this province has capital projects that have been shelved for the last five years because of the chintziness of the previous government, programs that are needed to develop infrastructures in the municipalities and that could put people to work and provide us with socially useful equity in our province. That is not being done.

My friend the member for Erie interjected something about winter works. The government could develop a winter works program through community organizations, municipalities or non-profit organizations that would put those unemployed people aged 25 to 55 with skills back to work, where they want to be and where they belong.

Finally, I want to speak for a moment about the whole fiscal, as opposed to the economic, aspect of this bill. There has been a lot of crying by the present official opposition, and there was a lot of crying by the present government previously when it was in opposition, about borrowing from captive pension plans such as the teachers' superannuation fund and the Canada pension plan.

Frankly, I think the arguments put forward by both of those parties in that circumstance are a lot of hogwash. Why do we have those publicly funded programs, such as the Canada pension plan—

**Mr. McClellan:** The Treasurer agrees.



**Mr. Foulds:** I know the Treasurer now agrees.

**Hon. Mr. Nixon:** Never.

**Mr. McClellan:** He repudiates.

**Mr. Foulds:** He repudiates his previous stand.

Why do we have those pools of capital in the Canada pension plan and in the teachers' superannuation fund if not to use them for socially useful programs such as housing, job creation and so on?

I am a teacher. I paid into the teachers' superannuation fund and I continue to do so. I have absolutely no objection—

**Mr. Rowe:** Two pensions?

**An hon. member:** Double dipping.

**Mr. Foulds:** I am not double dipping, I am double paying.

As a contributor to both pension plans, the Canada pension plan and the teachers' pension plan, I have absolutely no objection to that money being used by the state for socially useful programs. In fact, I endorse that use. I am prepared to say that not only as a politician but also as a contributor to both pension plans.

While there are a couple of members of the official opposition and a couple of government members who may even be collecting that pension at the present time while they are in their present capacities, no member of this party is currently doing so.

If we can get back to the bill, it is beneficial for both the pension plans involved and for the—

**Mr. Wiseman:** The member is helping in both areas.

**Mr. Foulds:** If the member for Lanark wants to speak on this bill, let him get up and speak. Otherwise, why does he not desist from his sad, vicious—

**The Deputy Speaker:** Order. Will the members for Lanark and Port Arthur please—

**Mr. McClellan:** Why do you not tell him to shut up?

**The Deputy Speaker:** I did tell the member for Lanark to stop interrupting. Would the member for Port Arthur please address his remarks to the chair?

**Mr. Foulds:** Certainly, Mr. Speaker. I have been addressing my remarks to the chair throughout. You have noticed that I have been speaking directly to you. It was only when the member for Lanark—commonly known as motor-mouth among his friends, foes, allies, and neighbours in particular, alike—got a little too loud that I actually turned and addressed him. I apologize for my—

**Hon. Mr. Nixon:** Temerity.

**Mr. Foulds:** —temerity in being sidetracked. I thank the Treasurer for the assistance.

It is beneficial both to the pension plans involved and the public generally to be able to borrow from those funds. The reason for that is very simple: it prevents us, as a government, from having to borrow widely on the international market at highly inflated rates. It allows us to draw on a pool of capital that has been built up by men and women in this province. Instead of sitting uselessly in some God-forsaken, God-forgotten pool, it can be used for public works.

It allows us to use that money for the projects I talked about. It could allow us to help and, as a creative tool, could allow us to stimulate the economy. That would be beneficial to the people who draw on those pension plans and for the jurisdictions involved, both the federal and the provincial governments.

With those remarks, I will conclude. We will be supporting the bill. We find it acceptable. The one thing we find strange is that the remarks made by the other two parties are the same ones they made previously; only the roles have been reversed.

**Mr. Partington:** I am pleased to address this House this evening about this vital matter.

**Mr. Rowe:** We are pleased, too.

**Mr. Partington:** I thank my friend.

**Hon. Mr. Nixon:** Mr. Speaker, if the honourable member would let me advise you and him, the present standing in the Quebec Legislature is Liberal 86, Parti Québécois 24.

**Mr. Partington:** When the Canada pension plan—

**Mr. McClellan:** Let's hear it for Bou-Bou.

**The Deputy Speaker:** Order. The member for Bellwoods (Mr. McClellan), would you let the member for Brock (Mr. Partington) speak?

**8:50 p.m.**

**Mr. Partington:** When the Canada pension plan was instituted in 1966, it was in response to a need for some form of retirement security for Canada's senior citizens. Its concept, as I am sure you are aware, Mr. Speaker, was to create a financial pool from contributions obtained from all eligible workers across this country. The children of the baby boom were, at most, 20 years old and through CPP would be guaranteed financial security unparalleled by their elders. That was the perception and intent in 1966.

**Mr. Haggerty:** Until the government got its hands into it.

**Mr. Partington:** Exactly. That was my next line.

There is not one provincial government which has not borrowed from the fund. The federal government has taken its share, too. The retirement security of ourselves, our children and future generations no longer looks secure or guaranteed. It has been said many times in the past that governments, through their borrowing from the Canada pension plan, were mortgaging the future of Canada's young people. I disagree. I venture to say they are writing off the future of our young people.

As of March of this year, a total of more than \$29 billion was out in loans from CPP to the provincial and federal governments of Canada. At present, it is at a critical point in that it is paying out almost as much as it is taking in in the form of annual contributions. This is with the largest portion of our population, the baby-boomers, still decades away from retirement.

The fund continues to grow as a result of interest earned on the money accumulated to date. If, however, the level of contributions from Canadian workers remains constant, the fund will be exhausted by the year 2003 and this government will have to begin repaying capital by 1994.

I suggest to the members on my left, through their earlier comments, that they pay a little bit of attention.

Thrift earns success in this life.

**Mr. McClellan:** Everybody is on your left.

**Mr. Partington:** The member is probably right.

This is just about the time, around the year 2000, when the first of our baby-boomers will be eligible for retirement and repayment of the contributions they have given to the fund. That brings me to the case at hand. The Premier and his government want to add to the debt of this province, which already is 50 per cent of that \$29-billion debt. They want to add to that by borrowing more, not only from the Canada pension plan but also from the teachers' superannuation fund.

**Mr. Philip:** What is Hydro's debt?

**Mr. Partington:** We are not talking about Hydro's debt. We are talking about the general debt. Besides, we all have a—

**The Deputy Speaker:** Order. Will the member for Brock please address the chair and you will not then be distracted by interruptions.

**Mr. Partington:** I will continue. This is the same man who wants to add to our provincial

debts, who as Leader of the Opposition cried "Shame" when the previous Conservative government announced its intention to borrow from the plan. What was viewed as wrong and unjust from the opposition benches now somehow seems to be right and justifiable just because it is from the government benches. Shame.

There is a vast difference between the borrowings of the Conservative administration and the borrowings of the current Liberal administration. The previous administration, through sound financial management, reduced the deficit and stalled the increase of taxes in Ontario, while continuing to provide a standard of life superior to that in any other province of this country.

Traditionally Ontario has been a leader in manufacturing, industry, retailing and personal income. Like her sister provinces, Ontario suffered the effects of the recession but Ontario was the first province to feel the effects of recovery. It led the recovery, but these facts are all images from the past, before the Peterson government and before the Nixon budget.

The current administration has been in power for almost exactly five months and what have we seen in those five months from a government which was quick to criticize the revenue needs of the previous administration? We saw a budget which increased taxes by \$700 million and the deficit by \$500 million. Municipalities watched their transfer payments diminish appreciably in the same document. Drivers were hit with increased fees for both their licences and vehicle registrations. Even potential home buyers were hit. Cumulatively, Ontarians were told to reach into their pockets to the tune of \$700 million.

**Mr. Rowe:** Whoa.

**Mr. Partington:** I heard my friend to my immediate left. I have to wonder which election promise this will fund. Will it subsidize the planned end to the Ontario health insurance plan premiums? Will it help pay for the 700 additional civil service positions this government seems to think are needed?

To add insult to injury, every single person, every business owner, every home owner, every man, woman and child in Ontario will have to pay more towards the public debt, thanks to the government's loss of the triple-A credit rating.

**Mr. Rowe:** Shame.

**Mr. Lane:** Shame.

**Mr. Partington:** Shame. "Open and accountable" are the words frequently used by the Premier and his colleagues to describe their style of government. To whom is it open? Is it open to



those willing and able to pay the required membership fee for LEAF, the Liberal Economic Advisory Forum? To whom is it accountable? It is unquestionably accountable to members of the New Democratic Party. However, what about the rest of Ontario?

Having just bled taxpayers for every cent possible and in every way imaginable, how do the members on the government benches now reach into their futures? Is nothing sacred? Ontarians did not ask for the items contained in the current accord between the government and the members of the third party, but it would appear that the Premier and his caucus wish to ignore these facts.

Promises that cannot be afforded cannot be kept. In keeping such promises, this government is breaking faith with the right of all Ontarians to a reasonable expectation of a secure future and, ultimately, retirement. Who is going to pay for these promises? For that matter, I question not only who will pay for the increased debts being incurred by the current government but also how they will be able to pay. The debt is growing and will itself result in greater debt through accrued interest.

Taxes have been increased, which reduces the amount of disposable income available to each person in Ontario. Less disposable income translates into fewer purchases, fewer purchases result in fewer jobs, and fewer jobs lead to less taxes payable to the provincial Treasury. Less taxes payable leads to higher taxes payable for fewer people, and it goes on and on.

In five short months we have seen years of work tossed to the wind by the government opposite. If that is not enough, now Ontarians are having their future eroded. The tragedy is that no one has asked Ontarians how they feel about the matter. No one has asked Ontarians whether they want the items contained in the Liberal-NDP accord or whether they agree with higher taxes, a higher deficit, the loss of the triple-A credit rating or increased borrowings from the Canada pension plan and the teachers' superannuation fund.

No one has asked Ontarians how they feel about these vital matters because this government does not believe in what the Conservative government called consultation.

**Hon. Mr. Kerrio:** We do not believe in anything the Conservative government said.

**Mr. Partington:** I know that.

9 p.m.

**An hon. member:** Stop here.

**Mr. Partington:** Do you want me to stop now? Okay. Mr. Speaker, I have been advised by the deputy House leader that, in view of the understanding reached by the House leaders, this might be an appropriate time to adjourn the debate.

On motion by Mr. Partington, the debate was adjourned.

#### ASSESSMENT AMENDMENT ACT

Hon. Mr. Nixon moved second reading of Bill 57, An Act to amend the Assessment Act.

**Hon. Mr. Nixon:** I am glad to have an opportunity to introduce the bill for second reading. Since there are a number of former Revenue ministers in the official opposition, they know that at this time of year the officials of the Ministry of Revenue get a bit tense when the bill is not carried, since, without its carriage, the ministry would be required to return the assessment rolls from the province to the municipalities at market value assessment.

This was established by the former administration under the Assessment Act. I believe it was carried about 1970, when it was thought to be a relatively easy administrative situation to reassess all of the properties in the province at a market value assessment. The former administration tried on more than one occasion to accomplish this, but it always backed off when the pressures came on for what seemed to be, and probably were, good and sufficient political reasons.

The fact is that the Assessment Act still requires that the province, which assumed the responsibility for the assessment function in about 1970, would by law require market value assessment rolls to the municipalities for each taxation year. Since it has not been feasible to accomplish province-wide market value assessment each year since then, an amendment has had to be introduced allowing the province to return rolls to those municipalities not reassessed at market value assessment at the old, frozen, assessment rate.

The previous administration, by attempting various approaches to market value assessment or its near relatives, which would be market value assessment without changing in values among classes, has achieved the reassessment in a high proportion of municipalities but so far none in the metropolitan area.

After the introduction of the special report by the member for Waterloo North (Mr. Epp) with the help of Mr. Goyette, it is our hope that the proposals for market value assessment in the

metropolitan area of Toronto may very well now go forward. I am not sure that is a fact, because it has to be done with the co-operation of the municipal officials.

The regional chairman has a task force chaired by his special assistant, who is examining ways by which the treasurers of the cities of the metropolitan area may, by co-operation, move to an approach to market value assessment, I hope, in 1986. Frankly, I am confident this may be achieved; at least I sincerely hope so.

If that is a fact and if it becomes possible to reassess the whole of the metropolitan area with the concurrence and support of the Legislature and the various cities of the metropolitan area and if everything goes well, then probably within three years reassessment can be accomplished in the metropolitan area and the remaining municipalities that have not been reassessed and then this bill will not be necessary. And if my aunt had wings, she could fly.

I hope these matters will work out, but having watched the approach to market value assessment over the years and having seen brave attempts to improve the situation fall upon the shallow, stony ground where seeds do not put down roots, I am not overly confident. I believe there is sufficient goodwill and a recognition that reassessment in the metropolitan area would be beneficial to all concerned. Once again, I hope this can be accomplished.

All I can say is that the mayors of the cities, working with the Metropolitan Toronto chairman in a properly constituted task force, are showing strong signs of goodwill and are taking an approach on their own initiative which bodes well for a solution to this continuing problem. It is possible this bill may not be necessary for more than one, two or three years longer. It is possible that another type of amendment may be contemplated in the event we do not feel confident this will go forward, but I am full of hope we can improve the assessment situation across the province.

The report entitled Taxing Matters, which all members have now had a chance to read and study thoroughly and carefully, is at least a sensible and thoughtful approach to improving the assessment function, which was taken over by the province more than 15 years ago. Our program for market value assessment under section 63 of the Assessment Act is very similar to the procedures used by our predecessors. While this is far from perfect, we hope it will improve the assessment function. I can assure members that the assessors employed by the

province are well directed by the Ministry of Revenue and are taking a professional and helpful approach to this responsibility.

Members expressed their views during the estimates of the Ministry of Revenue. While that was by no means a complete opportunity to express their views, I am aware of their concerns in this matter and I hope we will be able to respond to them.

I ask members to give serious consideration to approving this bill this evening so we can proceed with what I consider to be a routine matter. It will allow the rolls to be returned to the municipalities, those that have not been reassessed at the old values, so that the municipalities can proceed with calculating their tax bills and get them into the hands of the ratepayers in a convenient and early time.

**Mr. Dean:** I am pleased to hear the further elaboration by the Minister of Revenue of the hopes and aspirations he has for the assessment function throughout our province. Some members, including myself, spoke to some extent about the whole issue during Revenue estimates. At that time, I echoed some of the things the minister is saying tonight, or maybe he is echoing tonight some of the things I said then. There is a good sound carrying across this chamber when we talk about assessment, because it has been a long and thorny problem.

I will not go through all the details I went through at that time because I agree it would be very desirable to get this rather routine, compulsory bill out of the way, if we could.

**Mr. Laughren:** Routine to the member.

**Mr. Dean:** Am I spoiling someone's fun? I am sorry. It is routine in the sense that it has been done every year since Adam was a pup. If it is possible to achieve the kind of universal market value assessment which will make this no longer necessary, then I would think all members of the House would stand up and cheer, provided the cure was equitable, easily understood and not too expensive to accomplish. That, however, may be in one, two, three or five years, as the minister indicated verbally and visually.

In the meantime, we have to go through this procedure again for the very sensible reason that if we do not, the roof will fall in, with people suddenly finding they have a market value assessment without any consultation. All members of the House are great on consultation when it comes to matters that affect municipal taxes and municipal councils in general, because that is where they know where to get someone if one



happens to have done his homework on the consultation route.

9:10 p.m.

I do not know whether it is going to be conceivable to do it by the methods written about in *Taxing Matters*. As the minister said, most of us have had the opportunity now to look over "the blue book" to see that there are a lot of good, commonsense recommendations there.

**Hon. Mr. Nixon:** It was blue, was it not?

**Mr. Dean:** Yes. I do not know. I presume it was too far along to change the colour to red. Perhaps red is not a good colour when we are talking about assessment, anyway. People see red without a cover on the book. How about that?

Some of the recommendations in there are very worth while. Before we get to that, however, I want to suggest that the bill itself does not contain very much of substance except the technical aspect, the routine necessities of doing these two or three small items that will make the system of assessment run at least as smoothly as it has during the past few years. It is still not the ideal that all of us are hoping for.

I remind members again that many years ago, about 1978, a thorough study of the taxation and assessment system. It was about tax reform and it certainly involved assessment. It was carried out by a joint committee of the provincial Treasury and the Minister of Revenue on the one hand and the Association of Municipalities of Ontario on the other. A solution was devised, which did not necessarily include a section-63 type of market value assessment. It envisaged a kind of market value assessment that also took into account the inequities between classes, not only within classes, which is what section 63 does.

However, there was a little kicker in the solution, and that was the matter of a large provincial contribution to offset what seemed to be sudden and drastic changes in the portion that certain classes and certain assessment properties in those classes would be called upon to bear. That seemed to knock it in the head for the time being, and it does not seem to have survived that possible drawback since then. I am saying this in the nature of a review of my agreement that this bill is a necessary evil in the absence of thorough assessment reform.

In turning now to a few of the items that are listed in the *Taxing Matters* report, may I inquire in a general way of the minister whether it should be called "the Epp report," "the Goyette report," "the Nixon report" or simply "the blue book"?

**Hon. Mr. Nixon:** Call it *Taxing Matters*.

**Mr. Dean:** That seems like repeating a bad pun.

**Hon. Mr. Nixon:** The member for Waterloo North was responsible.

**Mr. Dean:** Okay, Epp's *Taxing Matters*.

I do not intend to cover all the recommendations in it, but I would like to zero in on about three of them briefly. The first is the matter of appeals, where the well-known principle of the taxpayer being innocent until proven guilty is used as a guiding light for certain suggestions that will bring about the situation where taxpayers will not be charged a higher assessment until it is absolutely determined they should be.

The principle is correct and some of the measures are okay, but the writer of the report does not seem to have given sufficient thought to the undoubted flood of appeals that will come just as a matter of course from certain individuals and firms that routinely object to every kind of addition to their assessments.

It is fine to say that until the additional assessment is proved through the proper channels to be justified no additional tax should be levied or paid; however, until further study of it has taken place I do not see that the provisions in the proposal are really sufficient to stop such a flood of appeals. I think we would get some that might, in the terms of the Ontario Municipal Board Act, be called frivolous objections or appeals.

I really am not convinced the process that is suggested in *Taxing Matters* is sufficient to stop that. I do not believe the recommendations on pages 26 to 28 finally deal with these frivolous appeals. We will still have them, and further thought needs to be given to that one before it is suggested we go wholeheartedly over that way.

The second item I want to touch on, again not at great length, is the matter of condominium assessments, just to deplore what I feel is an inequitable situation that has arisen as a result of a court case, which has effectively stalled action by the government on any change in what seems like an unfair treatment of one class of single-family dwellings, namely, condominiums.

I note on page 54 of the report there is a review of some important decisions that face the government at this time, or would face any government that happened to be in power at this time. Condominiums are to be assessed at the same ratio of assessment to market value as owner-occupied, single-family homes; consequently, the ministry and its assessors must look at market value in the vicinity of the condominiums spoken about every year.

The result of this seems to me to make condominiums doubly vulnerable to changes in assessment. Rather than being compared only with themselves or with other similar condominium residences, they are also compared with what we would call normal single-family, owner-occupied homes; therefore, we are faced with the situation where condominiums appear to be getting the short end of the stick.

Some people who have received this kind of extra assessment as a result of the double comparison for market value assessment naturally resent it greatly, but the appeal of that sort of treatment was not granted and the government was not given leave to appeal that decision. Consequently, we are at an impasse with condominiums and that real inequity needs to have early attention by the government. If other legislation is needed it should be brought forward; the answer is not really provided, although the suggestion for study is here. I believe other members are going to treat that more fully as the evening continues.

The third item I wish to speak about briefly has to do with the disabled and seniors in the community programs. To refresh the memories of members who might not be as closely connected with this as with some other aspects, the program was first introduced last year by our government to enable changes to be made in the structure or in the shape of the building—perhaps even an addition—in residences where an elderly or disabled person was going to live in the community, rather than finding it necessary to go to an institution. Where the change or addition was undertaken strictly for the purpose of accommodating that elderly or disabled person it would not add to the assessed value of the property for taxation purposes.

This was an excellent idea, and it seemed as though it would solve the problem for certain groups of people in the province. The effect seems to have been that nobody objected to it, but not a great number of people took advantage of it. One of the suggestions in the blue book we are looking at now, Taxing Matters, is that this concept should be expanded so that it would also apply to group homes.

**9:20 p.m.**

The difference between what is there now and what would have to be there to include group homes is that a definition of the eligible residences would have to conform to what is used by the Ministry of Community and Social Services. The group home would have to be defined very similarly, if not in the identical

fashion, to one that was a residence for from three to 10 people, exclusive of staff.

With the success that group homes have had in so many municipalities in the province, this would be an added inducement for the modification of certain residences to make suitable accommodation for other groups. If the modifications were seen to be, and actually were, exempt from taxation because of increased assessment, which would be forgone as long as the buildings were used for those classes of eligible people, the elderly or disabled, it seems there would be more likelihood of this good program being further taken up.

Part of the problem also seems to be that the publicity undertaken for the program when it was introduced in the spring and summer of 1984 has probably gone by the board and would have to be repeated, especially if there were a change in eligibility standards, so it would be once again seen as a desirable way to go by many groups and people in the province.

I draw this aspect of the report to the attention of the minister so that when further discussion of it takes place this can receive top priority. Some of us will recall about a year ago the great controversy that surrounded the extension of the provision that group homes were a zoning by right in all parts of Metro Toronto, in which that goal was finally achieved.

This is a further step to build upon that and upon the provision in the Assessment Act which provides there is some relief given to people who would modify the structure or accoutrements of a residence for people who are going to be using it in a group home way.

I will close for the moment and request the minister to give us the further benefit of input he has on this whole assessment matter as responses come in from the various groups to whom Taxing Matters has been sent.

**Mr. Lupusella:** It is a privilege for me to rise and speak to the principle of this bill, the Assessment Amendment Act. In doing so, I would like to convey to the minister that I cannot stand in my place and praise or celebrate something which I think members of this Legislature, through the course of estimates and in previous years, have condemned very strongly, criticizing the inequities of assessments in Ontario.

Therefore, while I appreciate the opportunity given to me to stand in my place, and even though I have to support this bill because there is nothing else to amend, I would like the minister to know I am very unhappy about the whole



process and the process of assessment in general in Ontario.

**Mr. Pierce:** Vote against it.

**Mr. Lupusella:** I cannot; that is the problem.

When the Minister of Revenue introduced the assessment amendment legislation, he stated in the Legislature:

"Members will be familiar with the purpose of this bill, since it has been introduced each year since 1970. As the act stands, if the amendment is not passed, the Ministry of Revenue will be obliged to impose full market value assessment in all municipalities in 1986."

In that paragraph, I would like to draw the minister's attention to the line "to impose full market value assessment in all municipalities in 1986." The reason the minister is using the words "impose full market value assessment" is that we are near the ceiling of market value assessment, even in Metropolitan Toronto.

In that respect, I cannot be pleased about, and I cannot praise and support as routine, a bill that states no full market value assessment will be imposed in the municipality of Metropolitan Toronto. This is a result of the past administration and now the continuation and support of the policies of the past administration by the Liberal government.

In the past, in relation to assessment in general, the government has been saying full market value assessment has not been introduced in Metropolitan Toronto, but it has been talking about assessment and reassessment. We cannot fool each other, because we understand the implication of the terminology of assessment and reassessment and that of full market value assessment, but the past administration and the Liberal government now are doing a marvellous job of hiding the real truth from the communities in Metropolitan Toronto and across the province.

The strategy the government is using is that through the years the assessment and reassessment came so close to the full market value assessment that in 1986, in 1987 or in 1988, we might say that in Metropolitan Toronto the principle of full market value assessment has not been applied because the reassessment principle went above the ceiling of the full market value assessment in Metropolitan Toronto. Talking about full market value assessment in two years' time does not make any difference, because the public at large has been fooled by the government and by the previous administration.

We cannot play this kind of political game. When we are talking about housing and the right to have a house in Ontario, we are touching

something that affects the social framework of families raising children in Ontario. The province has an obligation to come out with a radical, concrete framework to reform property taxes in Ontario to take those needs into consideration.

The more I get into this ministry, the more upset I become. We know that property tax assessment has been a problem for the past 75 years. It brings to mind the inequities and injustices of the Workers' Compensation Act, which had not been amended since 1914. I compare the 71 years that act was not amended, until injured workers mobilized themselves and came to Queen's Park protesting the inefficiency of the system, to the 75 years the government was unable to tackle the problem of the inequities of the property tax system.

**9:30 p.m.**

Politicians at the provincial and municipal levels are aware there is a problem, and we all recognize it. The fact is that we are fooling people. We are trying to come out with a new recognition of the issue, with new studies, new assessments, new reassessments and now market value assessment. I am sure the municipality of Metropolitan Toronto supports the principle of full market value assessment. It is in the interests of the municipality because it is a vehicle for it to get more revenue, and it is a good tool for the province to raise money.

Therefore, when I stand in my place and have to support the Assessment Amendment Act in principle, I know that in reality the government wants the specific mandate to assess and to reassess properties; close to full market value assessment. I think the communities and the people in Metropolitan Toronto should be aware of this type of political game, which was played by the Tories and will be played by the Liberals.

I would also like to bring to the attention of the minister that I am a little disillusioned in relation to concrete reforms affecting property taxes. When I was debating the Ministry of Revenue's estimates, I was able to gather from the minister, that the new government is able or willing to go so far that eventually the renovation issue, along with other minor amendments, will be considered and will be brought to the attention of the citizens of this province. Then it might come out with a program that is serious about amending property taxes in Ontario.

Again I would like to bring to the attention of the minister the political game that was played by the Tories and is now being played by the Liberals. If the Liberals think they will get away with playing the same politics that were played

by the Conservatives for so many years, they are completely wrong. The issue greatly affects the communities in Metropolitan Toronto; they are quite politicized about the issue, and I am sure they will understand who is playing politics on it.

As a result of my political frustration, I have drafted a resolution that stands in my name on Orders and Notices and, I am sure, will be debated some time on December 12. It will test where the Liberals and the Conservatives stand on issues affecting real property taxes in Toronto and across the province; it will be a political test that will be brought to the attention of communities outside. My own constituents will be aware of this issue, because property tax is an issue that has been part of my political campaign for the past 10 years. I have had an opportunity to deal with property tax reform during at least four election campaigns.

I think I have conveyed to the minister and to the government my message in the course of the estimates. Again I am trying to restrain by comments because I might be repetitive and because the minister might be upset if I repeated the same principles, which are close to my heart and to the hearts of my constituents, in relation to an issue that affects them greatly.

Let us go back a little as a matter of history in relation to the issue of "market value tax urged by study." I am trying to quote from different newspapers that have followed this issue closely. "Municipalities Resist Reform?" is a headline on an article that was printed in the *Globe and Mail*, November 9, 1985. During the course of the estimates of the Ministry of Revenue, with different members being interested in the topic, we had an opportunity to express our position in relation to the issue.

Even where market value assessment has been implemented across Ontario we are faced with inequities and people are not happy about it. Even though the government is pushing the principle of market value assessment in municipalities and regions outside the metropolitan area. As I stated in my previous remarks, market value assessment makes sense to each municipality and to the province because property in Ontario is becoming a bank to raise money for the province and for the municipalities. One will never see any municipality resist the principle of market value assessment.

When the province plays on the issue of assessment and reassessment every year, and when there is an act that states that for 1986 the assessment will stay at the same level, we are faced with the principle of implementing the

municipalities' programs based on different loopholes by which they increase taxes in each region. They might use their own excuses that they need the money to subsidize different programs.

It is a cycle that property owners cannot escape. As politicians, we know there is a problem. We are playing politics with an issue when we know for a fact that injustices and inequities have been implemented for 75 years. I am not sure why people do not organize themselves and appear on the steps of the provincial Legislature to complain about this issue. Perhaps I should go and organize them. I would not mind doing that, because I feel people have been hit in a very unfair way by different programs implemented in this province.

I remember that in 1983-84 I had the opportunity to appear on behalf of a constituent of mine to appeal a decision about an increase of at least 100 per cent in assessment on the value of his house. He had made no renovations. He had put on siding as a way of insulating his house, but there was no practical renovation inside the house. Without going inside the house, the assessor talked to my constituent about the work that had been done. My constituent had the right to do that work because the house was not covered with brick. He had no alternative but to put on new siding to insulate his house, and he was being penalized for it.

**9:40 p.m.**

When I appeared on his behalf to appeal the level of the assessment, the assessor came out with the statement that he did not go inside the house and speak to the property owner at all. My constituent was able to win the appeal and, as a result of that decision, his property taxes went down by \$700.

Was the \$700 retroactive? No way. A mistake was made two years prior to the time when the reassessment took place. The increase was in the range of \$700, and there was no retroactivity clause involved because the man wrongly, of course, maybe because he did not know, appealed the level of the assessment for that year. We know for a fact that even though he might win on appealing the level of the assessment, the decision is not retroactive.

There is a bureaucratic mess when an individual wins an appeal until the municipality changes the roll number on the property taxes, and so on. If the individual gets in touch with the municipality there is no relationship between the decision and the municipality. When the decision is actually rendered and until the computers are in



place, there is no way for the individual to find out when the reduction will take place.

When we know for a fact that all of these injustices have been committed through the years, when we know for a fact that a lot of people pay the price of something which was greatly unfair, why does the new government not send back the assessors to reassess the houses based on the principle of four or five years ago when the Tories were trying to introduce the principle of market value assessment through the back door? They use the metaphor of assessment and reassessment.

You know for a fact, Mr. Speaker, because you are serving your constituents so well, that an assessor can invade your property any time he wants. If you do not open the door, he might increase the level of the assessment as much as he or she wants. The only recourse you have is to appeal that assessment. Those words are what the province uses in the principle of assessment and reassessment. I should play with the definition of those two words. As far as I am concerned, market value assessment has already been implemented.

In Metropolitan Toronto the properties have been overassessed. The government closes its eyes to this issue and people are paying more money to the province and to the municipalities. Then we talk about Mr. Goyette who, before being appointed, was working for the mayor of Toronto. I do not have too much faith in Mr. Eggleton because he has been trying to apply the principle of what should be fair for the province and what should be fair for the municipality. I am sure he will never find the right formula because when he is trying to satisfy the province, trying to help our people in Ontario, he will satisfy each municipality because it will lose money if a new formula is implemented on the issue of real reform on property taxes.

Who is Mr. Goyette? Who is he? Again, we do not have any choice. We have been trapped as politicians by the manoeuvre used since 1970 by the Conservatives. I do not want to accuse the member for Durham West (Mr. Ashe), because when he was trying to talk about reform the government gave him a quiet portfolio and he was removed from the Ministry of Revenue. I cannot criticize him because eventually, when he realized so many injustices had been committed in Ontario and tried to speak up in cabinet, the Premier of the day told him, "You had better go and get a quiet portfolio because you are talking too much."

The new Liberal government is doing the same thing. I can promise the new government that after December 12, 1985, I will get my resolution printed in many leaflets and I will distribute them and politicize people in Metropolitan Toronto about the unfairness of this system. I think my constituents and those in different municipalities will not tolerate political inaction coming from a new government which has been formed to come out with an agenda of reform.

That is why I supported the new government. The minister might say, "Property taxes are not on the agenda or on the accord signed by the NDP and the Liberal Party." I would like to remind the minister and the Liberal government that when I supported the new government I did so on the basis of the principle of reforms as a whole and not just on the principle of the accord. I think 75 years of the province and municipalities stealing money from the property owners is greatly unfair. Because of the unfairness of the system, I will fight until real reform is introduced on the floor of this Legislature.

As I stated, we have been trapped. If we do not support this bill, full market value assessment will be introduced. I will not accept this threat, because full market value assessment has been already implemented in Metropolitan Toronto.

The minister and his colleagues know the properties in Metropolitan Toronto have been overassessed. I do not see any reason my constituents are supposed to fight and appeal the unfairness of the assessment when a simple decision taken by the minister to send back the assessors and review the old procedure which has been implemented in relation to the issue of reassessment in Metropolitan Toronto might solve the problem. They should do that as soon as possible.

My House leader is reminding me the time is up. I am very reluctant to end my speech because I think the theme of property tax reform is something which affects each citizen in Ontario, in particular my constituents who have been hit in 1981 and 1982 by—I call them mandarins because they have been acting as mandarins of the government in the middle of an economic recession and people were losing homes in Metropolitan Toronto.

What they have done will never be condoned by me as a member of this provincial Legislature representing the great riding of Dovercourt, nor by my constituents, the great people of Dovercourt.

9:50 p.m.

**Mr. O'Connor:** Thank you, Mr. Speaker, for the opportunity to speak on this bill which is of some importance to a number of my constituents. As we have heard, the bill provides generally for delaying market value assessment for another year. In that regard, I would commend the Treasurer for the approach he has taken to this difficult subject in that he appears to be following the lead of the previous government in moving towards full market value assessment in a gradual manner, over a period of time, not precipitately, not all at once, recognizing that as we go, we learn.

Because we have approached it in the manner in which our government did and in the way it is now being done by this government, we have been able to iron out the difficulties that arise in the program over the years as we go and to avoid the chaos that might otherwise exist were we to move towards full market value assessment all in one year, as was suggested by the previous speaker and by others in this House.

I would suggest to the government that perhaps it should follow the good example of the Treasurer in this bill with regard to some of the other policies towards which it is proceeding headlong in a very precipitate manner.

A few examples come to mind, such as the proposal to introduce wine and beer into the corner stores. Initially the Minister of Consumer and Commercial Relations (Mr. Kwinter) indicated there would be a bill in the House by the end of November. However, he seems to have followed the lead of the Treasurer in slowing down his progress in that regard.

**Mr. Haggerty:** Where does that come into this bill?

**Mr. O'Connor:** Back to the bill. I thank my friend opposite for reminding me of that point.

As I said, the bill provides generally for delaying market value assessment, a concept I can agree with and will be voting in favour of; however, an inequity does arise with regard to a certain segment of the people of Ontario. I refer to those people who live in condominiums or co-operative housing. I wish to speak to this inequity for a few moments. It has arisen particularly in certain areas of my riding, Oakville, in that, as a result of a decision of the Supreme Court of Ontario in September 1984, with which we are now quite familiar, a real inequity has arisen among certain property owners in this province.

The decision to which I refer is commonly known as Peel Condominium Number 57 versus the Regional Assessment Commissioner. The

effect of this decision is that condominiums throughout the province must now be assessed annually according to their market value, whereas other properties, single-family dwellings and others—unless the municipality in which they are located has opted to accept the principle of market value assessment—are not so assessed. One can readily see that if there are two systems of assessment in a community, somebody is going to get hurt. Surely fairness and equity dictate that all the residences and other properties to be assessed in a community should be assessed on the same basis across the board.

The ministry itself recognizes the inequity that existed, in that after this decision of the court it sought to appeal the decision to the Court of Appeal; however, unfortunately for the ministry and for the condominium owners affected, leave to appeal was denied and the full appeal itself was never even heard. Thus, we are left with the situation where condominium and co-operative housing owners throughout the province must now be assessed on an annual basis. They cannot remain subject to the freezing provisions of the Assessment Act, section 63, which existed between 1975 and September 1984 when this decision was handed down.

By way of example of some of the real inequities that have arisen, I might point out a couple of situations that exist in Oakville. I will preface these remarks by saying I realize that in some cases the assessment of some condominiums has actually decreased. Of course, they are happy; they are not complaining to anyone. In fact, that may be a majority of condominium owners if we look at the province as a whole. However, where there have been increases, some of these increases have been really quite significant and, in my opinion, quite unfair.

As an example, I refer to a unit in Oakville called Halton Condominium Corp. Number 83, which consists of some 400 units and which, as a result of reassessment on a market value basis in 1985, incurred increases of up to 27 per cent in the real property tax assessment for this year. In real dollars, that amounted to between \$300 and \$400 per unit in one year.

A second example, in Oakville again, is a development called Halton Condominium Corp. Number 114. In this case, there are 169 units and some of the increases in this development went up 43 per cent from their existing assessment. The average of those 169 units was a 33.5 per cent increase. One can readily see that an impact of that nature on a housing unit can be quite significant and disastrous in some cases where,



as in condominiums, there are often young families starting out and often, in the case of the first unit, a significant number of older and retired people who live on fixed incomes.

In early April 1985, as a result of that decision and the increases that occurred in Oakville, the town sought a tax impact study from the ministry. It requested that such a study be undertaken to determine the effects of carrying out section 63 of the act across the board. It is a provision in the act to which any municipality is entitled upon request to the ministry and prior to moving towards market value assessment. To date, this being December 2, that tax impact study has not been completed. The best information we can get is that it has not even begun.

There have been numerous requests, communications to the minister and to the deputy minister, to get this tax impact study under way. Unfortunately, no action has yet occurred. On August 26 this year, both the minister and the deputy minister coincidentally wrote to a constituent of mine who happens to be the president of one of the condominium corporations which I mentioned had suffered such increases.

The deputy minister indicated at that point—I quote from the letter, “The review is almost complete.” It was determined later that the review he was talking about was unfortunately not the tax impact study but a review of the needs of various municipalities in the province to determine how many of these studies would have to be done, in what order they would be done and when Oakville might be reached. In August we were not even on first base. We were back at the point where we were not even in line for a study to be completed.

On November 1, the deputy minister wrote again to my constituent. This time he was a little more frank in that he simply said, with almost a shrug of his shoulders, “I cannot provide you with an exact date.”

Here we are today—I checked as late as six o'clock this evening—and as far as anybody in Oakville knows, no impact study has even commenced, let alone been completed. It appears another year will go by and another taxation year will commence in 1986 whereby these condominium owners who have suffered such an increase will again be subjected to similar types of increases.

**Mr. Philip:** When are they going to implement recommendation 19 of the Goyette report?  
10 p.m.

**Mr. O'Connor:** I was going to get to that report and urge exactly what my friend to the left has suggested.

There are some solutions to this. I would like to refer to the report which has been provided to all members entitled *Taxing Matters: An Assessment of the Practice of Property Taxation in Ontario*. I compliment the member for Waterloo North (Mr. Epp) for his direction in preparing this report. More accurately, I should compliment David Goyette, who I understand had quite a bit to do with the preparation of the report under the able guidance and direction of the member for Waterloo North.

However, in reading the report, I was interested to note there is a rather extensive chapter dealing with the question of condominium assessment, particularly with the effect of the court decision of last September. I refer to a summary section under the condominium section on page 58, which states as follows:

“As a result of these recent judicial decisions, there are now three decisions facing the Ontario government:

“1. Should the annual reassessment of condominiums/co-operatives as directed by the courts and undertaken in 1984 be continued?”

The report then goes on to list four reasons why such direction should not be continued. Prime among them is the one that says, “The loss of the freeze for condominiums/co-operatives denies to the owners of these units the stability provided to owners of all other classes of property.” It then lists three other reasons, and I will not go into them at length, why that freeze should be reinstated.

The conclusion, most notably on page 60, and the answer as recommended by this report to the government with regard to this problem is as follows: “Accordingly, it is recommended that the Assessment Act be amended to restore the freezing of all condominium/co-operative units, in order to provide this class with the same stability afforded other classes of property.”

The first recommendation of this report deals with the necessity to implement the provisions of Bill 57, which is before this House, to prevent the chaos that would result if the entire province were required to move towards market assessment in one stage overnight.

The second recommendation, and I assume therefore the second in importance in the minds of the authors of this report, is the one I just mentioned, to reinstate the freeze on assessed values of condominiums and co-operatives. The problem is recognized by this report. It is recommended to the government by a member of the governing party that this be done. I would have thought it would have been an easy matter

for the minister to have included in this bill a second section that would do exactly what has been recommended to him, which in fairness should be done as soon as possible.

Not having done that, having failed to take that very significant step, there is one other way in which the minister, if he is so inclined, can assist some of the people adversely affected by this lifting of the condominium freeze, particularly the people in Oakville. It is to speed up the process. I see the minister is listening to me at this point. It is to require that the tax assessment study Oakville has asked for and been promised since April 1985 be undertaken immediately so that we can level out the inequities that exist as a result of the lifting of this freeze.

What is so difficult about ordering that this study be undertaken immediately and carried out for the people of Oakville, particularly for those who are as adversely affected as I have indicated in the examples? If the minister cannot see his way clear to amend the bill to implement the second recommendation of this report, surely he can give us our study.

Those are my remarks on this bill. I note the minister has been present and apparently has been listening to my remarks. Perhaps in his summation this evening he might address the concerns of the people of Oakville that I have set out this evening.

**Mr. Ashe:** It is funny, but this bill looks rather familiar. It seems to me I have seen it the odd time before, such as once a year for the past 11 or so years; so it is very familiar. I have a couple of remarks and then I hope to leave a few moments for the minister to answer a few of the questions that have been posed to him, and maybe one or two I am going to add.

One of the points that was made by the previous speaker, my colleague the member for Oakville (Mr. O'Connor), covered an area I was going to touch upon, and I will just expand on it slightly. He was referring to the impact study in Oakville. I will refer back to the minister's opening remarks on first reading of this bill. I am picking a sentence out of the third paragraph:

"Approximately 25 more municipalities have requested tax impact studies so they can consider the consequences of implementation of the section 63 reassessment program in their municipalities for 1986 taxation. In addition, another 19 municipalities previously reassessed under this program have requested an update to their market value base."

I would go further and ask the minister the status of all 25 of these impact studies. We are

into early December and I am wondering where they are. How many does he anticipate there will be time to implement in the 1985 assessment for 1986 taxation purposes? Of the 19 that are going through it for the second time, and I guess there may even be the odd one now that is on the third time, are these all similar situations, 1985 assessments for 1986 taxation?

My colleague from Oakville mentioned the problems of condominiums, with which we are all very familiar. I think there is a bit of what some would call justice when one thinks of how that whole issue started. It was condominium owners who figured they were hard done by and paying too much tax who caused the whole problem. Now we hear from them again, as we do when any kind of assessment issue comes up.

I think back to some of the headlines in the Toronto media a few years ago when one read about—excuse the expression—the little widow in the little house whose taxes were going to go up fivefold and what have you. They did not talk about the fact that they went from \$200 to \$1,000. Now we are hearing the same kind of thing from some of the condominiums.

My colleague from Oakville made specific reference to an example of an increase of 27 per cent in a particular condominium corporation in Oakville. I heard one today from one of our other colleagues—I think it was the member for Mississauga South (Mrs. Marland)—where in that condominium corporation the taxes increased by 100 per cent, from \$1,500 to \$3,000. They must be pretty nice condominiums if they are paying \$3,000 in taxes. I suggest they are probably selling at close to the \$250,000 range with that kind of a tax bill.

When one thinks that was also in Mississauga and that the whole issue was prompted by the numbers of appeals and the carrying on of appeals by other condominium owners in that same municipality of Oakville, it would seem that the chicken, so to speak, has come home to roost.

I would hope the minister would bring us up to date on the status of the 25 and the 19 he referred to in his first reading statement. When one considers that is about four weeks ago, namely, November 8, I am sure there is probably a bit of an update.

One of the other concerns I would like to touch upon briefly in the next couple of minutes still relates to the Assessment Amendment Act we are dealing with, but maybe in a little more indirect way. We have had some references tonight, and



during the ministry's statement there were references to the so-called Goyette report.

I hope the minister, and I am sure he will because I know he is a thinking person and has always been a fair and reasonable individual, always wanting to weigh all of the facts, and does not do as many as his colleagues over there have done with many other issues such as beer, wine, doctors, pharmacists, the spills bill and so on. I hope he does not look at a very complex problem and feel there is a very simplistic solution without weighing all of the pros and cons. I would hope he will do this in great detail when he is looking at the so-called Goyette report.

**10:10 p.m.**

There is one thing on which the member for Dovercourt (Mr. Lupusella) and I agree. It is really something when we can agree on something. I think he would agree on the same thing; and that is that I would be a little concerned about the basis of that report. When we look at somebody who was so closely associated with the Toronto scene, with the mayor's office scene, I am a little concerned that his report is somewhat biased and does not look realistically at some of the issues.

During the estimates, the minister will recall, I pointed out one example that came to mind vis-à-vis appeals and some of the background of that one, and some of the repercussions that could stand in the system. No doubt on the surface it seemed like a really easy, motherhood thing, and there are many others within the Goyette report that I obviously will not take time tonight to get into.

I will throw out another very simple one. When we start talking about renovations and so on, we will never get unanimity on when a renovation is just maintenance and when it is a significant addition to the value of the property. I know this one can and will be debated for ever and never be resolved, but it is a very simple one.

As I recall, the report talks about air-conditioning. That would probably still be considered an increase in value, but a heat pump would not be. Those kinds of things are treated differently. People cannot understand why they have added to their assessment in the past, yet as we all know a heat pump serves somewhat the same purpose as an air-conditioner.

It is going to be a very important challenge to the Minister of Revenue during the next number of months, particularly in his dual capacity, to make sure he does look at some of these concerns, which are on a very important and very complicated issue, assessment generally, and

some of the items brought up in the Goyette report. I hope he will look rationally at some of the concerns brought to his attention by his staff, the professionals and others, about some of those recommendations.

I appreciate that sometimes they seem very simple. To solve a problem, they may appeal in the short term to a select electorate out there, but I know this minister will have more concern about the long-term implications on the fairness and equity in the assessment system.

With that, I will close to allow the minister some time to answer the few questions that have been posed to him before we all support, once again, Bill 57.

**Hon. Mr. Nixon:** I have a number of notes here. I thank the members for their contributions.

The critic for the official opposition, who spoke last, has asked for a report on the impact studies and reassessments carried out or announced in the first reading of this bill. I am informed they are being presented to councils during this period and that the rolls for those municipalities will be delayed until February. This is not an unnecessary delay, because the computer tapes that assist them in their interim tax bills will be available, and the citizens will not be deprived of an early opportunity to pay their local taxes.

I was quite concerned that the member for Oakville indicated in his presentation that his constituents had somehow been left off the lists or the possibilities for impact studies on reassessment. I am informed that Oakville's request for a section 63 reassessment will be responded to in 1986 for the 1987 taxation year.

I have not had a chance to pursue this more formally, but I have been informed by my officials that they went to Oakville last year in response to a request, offered their services and were turned down by the council. I know it is sometimes difficult to get councils to agree to a reassessment and, once they have agreed, to continue to agree, since the political ramifications are quite severe.

Whenever there is a reassessment, even though the tax revenues stay constant or perhaps increase a bit at the behest of the council, there are winners and losers in the reassessment. Sometimes these groups are about equally split. We do not hear from the people whose assessment goes down, but we do hear from the others. The political situation involved in that, we all know, is sometimes difficult to respond to, and members of elected councils have the same

difficulties that even members of government have in matters of this import.

The assessment of condominiums continues to be a very interesting conundrum. The official critic for the opposition indicated that condominium owners, in a sense, were the authors of some of the difficulty by appealing to the courts on the basis of their assessments, indicating they should be assessed in comparison not only with other condominiums but largely with single-family dwellings in the community as well, since a condominium, they submitted, fell into that characteristic. The courts agreed, and this raised the assessments in many instances. Now many condominium owners say, "Of course, we should not be compared with other single-family dwellings," and they want exemption from that type of assessment.

In fact, the 1963 market value reassessment might be beneficial across the board, although I am responding to the advice from the member for Durham West when he says it is naïve to think simple solutions exist in this rather complex matter. One can move towards an acceptable solution and try to get as many people to agree as possible, but simple solutions are not in the cards in assessment matters.

The member for Wentworth (Mr. Dean) was indicating, with approval, probably his own initiative or one taken by his government which exempted from assessment improvements made for the disabled and elderly and used for their purposes exclusively. I agree that was a useful innovation and one that we want to continue to support. I think the honourable member knows that, with the increase of the exemptions on renovations from \$2,500 to \$5,000, many of those renovations that would have been exempt under the proposal to which the honourable member referred were subsumed. Also, the ministry does not assess ramps, handrails and items such as that, which are sometimes structures external to the main dwelling place. However, that is a matter of interest and one I thought was an initiative which would be supportable in all cases.

I was referring to condominiums, and I am informed the assessments are reviewed annually but not necessarily reassessed, to keep the assessments as current as possible. As a result of the court case to which we were referring, 72 per cent of condominium assessments were decreased. In the city of Oakville, to which the member referred, there are 2,420 condominiums; 712 had their assessments increased and

1,708 were decreased. So they are reviewed and kept reasonably current.

The problem we are all experiencing with our own constituents, and perhaps from our personal experience—and I, as a farmer, put that forward—is that there is a tendency when one's assessment goes up to feel there is an inequity until one has access to the information that is available to the assessors, and can make a comparison with other properties.

The community is not willing to accept the authority of the assessors as they used to years ago. Probably this is a healthy approach, particularly in metropolitan areas where there is a chance to see that, under our system of assessment, or freezing of it, which is what we are talking about tonight, these inequities established sometimes decades ago still remain unresolved because there is not an overall Metro-wide reassessment program.

I point out to the members again the importance of passing this bill. I found it an irritating one when I was in opposition, and I do not find it anything other than that now that I have the ministerial responsibility. It is almost an anachronism that I would be the one defending it after my views expressed in the House, but the honourable members have been good enough to bring my past comments to the attention of new members as well.

**10:20 p.m.**

I sincerely hope we can see our way clear to having a reassessment in the province in a clear, equitable and acceptable way that will be seen to be moving towards fairness in assessment.

The final decision rests with the elected members of the municipality who establish the mill rate. They do not like to take an initiative that is going to raise anybody's taxes by way of changing assessment, but we hope it is possible for us to move to the kind of reassessment that is going to improve fairness and equity in a system we know is far from perfect.

I appreciate the honourable members giving me a chance to bring this bill forward, if not on an emergency basis at least with an understanding that it is essential it be carried. I ask support from all sides of the House for second reading and third reading of the bill.

Motion agreed to.

Third reading also agreed to on motion.

The House adjourned at 10:21 p.m.



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No. 58

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**First Session, 33rd Parliament**

Tuesday, December 3, 1985

Afternoon Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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# LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday, December 3, 1985

The House met at 2 p.m.

Prayers.

## STATEMENTS BY THE MINISTRY

### QUEBEC ELECTION

**Hon. Mr. Peterson:** I have just sent a telegram congratulating Mr. Bourassa on his victory in the Quebec election of yesterday.

When I became the Premier of Ontario, one of my first objectives was to do everything I could to rebuild the bridges between the people of the governments of Ontario and Quebec, bridges that had fallen into some disrepair during the past 10 years as a result of constitutional and other differences.

Geography has made us neighbours, economics has made us partners and history has made us friends, and I am determined that our two provinces should take advantage of our common interests by sharing our experience, our expertise and our ideas. If Canada is to meet the challenges of a post-industrial society, the two provinces with the greatest capacity to play a leading role must work together. As new governments attempting to develop new approaches to public policy issues, the Ontario and Quebec governments have everything to gain by working closely together.

Je connais M. Bourassa depuis longtemps et je sais que nous pourrions travailler ensemble pour améliorer tout le Canada.

The events of yesterday and of the past five years have shown that Quebecers want to remain a vital part of Canada. We in English Canada, especially in Ontario, have a responsibility as Quebec's closest neighbours to do our utmost to respond to this trust by working to make Quebecers and Ontarians better known to each other in all parts of our activities.

Je viens d'avoir un échange téléphonique avec M. Bourassa. Il m'a invité à aller à Montréal, jeudi soir, pour dîner avec lui, et j'ai accepté son invitation.

I am looking forward to the opportunity to dine with him on Thursday night to express the congratulations of all the members of this Legislature and to express to him on behalf of all my colleagues our intense desire to work together

closely with Quebec to build a stronger and a better Canada.

**Mr. Grossman:** The Progressive Conservative Party of Ontario, of course, would like to join in the greetings and congratulatory message to be sent to the Premier-elect of Quebec. I know it will be a source of much envy and admiration to the current Premier of Ontario to note the kind of majority a government can get and what a public can do when it truly does want a clear change of government.

As we begin what I hope is a new era in the role of Quebec in our country, and in the relationship between Ontario and Quebec in particular, I want to take this opportunity to note the long tradition, in sometimes very trying and difficult circumstances, of relationships—cordial, important but honest relationships—between the governments of Ontario and Quebec.

I had the honour to serve in the government of the day during what were perhaps some of the most difficult times for Canada, Quebec and Ontario during the past decade. Those of us who had that opportunity—with the support, I might say, of the then opposition—know how difficult it was on some of those days to stand for the national interest and to take some difficult positions, which were not always comfortable politically in Ontario but which were the right and required positions to take in the best interests of Canada.

It was through those tough times that the skill and art of knowing how to deal with another government with which one disagreed dramatically, but to do it in a manner in which relationships were open, fair and respected, first came to the fore. It is not a skill or an art that is easy to learn or easy or convenient always to practise. However, we know the government of the day in Ontario will understand the need to exercise the same kind of care and caution as a new government once again takes charge in Quebec.

I might say in bidding farewell to the former government of Quebec that it certainly changed a great deal during the years I had the opportunity to deal with it. One should note that no party and no government could disagree more dramatically than ours did with the then government of

Quebec. None the less, its contributions, quite apart from its separatist approaches and its nationalistic beliefs, were contributions that I am sure all of us will want to note at an appropriate time.

I assure the Premier of Ontario that this party will ensure that it and the government of the day stand with the federal government when it is appropriate to ensure that this new watershed in the history of Quebec is one that once again serves the best interests of all those persons living in this country, not just those in one province.

Finally, I think it is an appropriate time for all Canadians and all members of all assemblies in this country to take some modest degree of pride in the fact that Quebec has weathered some of the most difficult years for itself in terms of its aspirations and its relationships with the rest of Canada. I well remember the debate in this assembly on those issues. It was one of the best debates any of us here has ever participated in, and all members who participated then should take some pride in the small but important role we all played in ensuring that Canada would survive the crisis that began in November 1976.

**2:10 p.m.**

**Mr. McClellan:** I would like to join my colleagues in their brief statements with respect to the vote in Quebec. I suppose I should note first the emergence of the New Democratic Party as the third party, a strong and vigorous emergence out of the field. I suppose I should lament the choices that faced the people of Quebec: the choice between separatism on the one hand and the Liberal Party on the other. What a terrible paucity of choice. However, a clear mandate was given to Mr. Bourassa.

On behalf of the New Democratic Party in Ontario, we extend our warmest congratulations to Mr. Bourassa and our best wishes that he soon finds a seat in the assembly and takes his place among the other Premiers of this country.

I do not expect that Mr. Bourassa will be any less tough or uncompromising in fighting for Quebec's rightful place in the sun of Confederation. Any thought that there is going to be some kind of fundamental change in attitude or in relationship is probably delusory. Historically, the Premiers of Quebec have fought for their province and have given very little quarter. I expect that tradition to continue, and I am sure many challenges still remain for our Premier (Mr. Peterson), for the Prime Minister and for the other Premiers, because the question of where Quebec fits into our Confederation is very much yet to be determined.

## ORAL QUESTIONS

### GASOLINE PRICES

**Mr. Grossman:** I have a question for the Premier. I wonder if the Premier might entertain the idea of automatically reducing the Ontario tax on gasoline when and if the price paid by motorists at the pump goes down.

**Hon. Mr. Peterson:** The honourable member has seen the proposal of the Treasurer (Mr. Nixon). We have advocated getting rid of the ad valorem tax, and he has done that. He has brought forth legislation to this House, and that matter is before this House for discussion. That is the position of the government.

**Mr. Grossman:** In spite of the fact the Treasurer whispered to the Premier that the price would go up, he none the less did not answer the question. We know it is before the House.

Leading analysts predict the price of oil may well and is likely to drop over the next six to 12 months, as reported in the Financial Times two or three weeks ago, for example. It is predicted that because of the falling apart of the Organization of Petroleum Exporting Countries and other market conditions, the price of oil seems set to fall by at least \$6 a barrel before 1986 draws to a close.

Given that, how does the Premier purport to explain to consumers that under his proposal, those consumers will pay a set rate of tax even when the price goes down, which would not be the case currently?

**Hon. Mr. Peterson:** In response to the question, our government brought in a flat tax that will be legislated upon by this Legislature if and when there are to be changes. The member has some experts who say the price is going to go down. I assure him there are other experts who say the price is going to go up. How can one predict those things? He cannot say that with any certainty. I say to the member with great candour, if he was predicting the price was going to go down, why did the previous government buy Suncor? It made all these decisions based on various—

**Mr. Hennessy:** Up and down, just like free trade.

**Mr. Speaker:** Order.

**Hon. Mr. Peterson:** We have brought certainty to the situation. We got rid of the ad valorem tax, as we said, and any changes will be discussed here in this House. We believe that is the fair way to tax.

What happened under ad valorem was that the tax kept going up like a retail sales tax and people



were not aware of what they were paying. Now it is all out in the open and people are fully aware of the taxes they are paying on retail gasoline.

**Mr. Grossman:** The Premier has given three answers in six months that did not have Suncor as part of his answer.

Let us talk about the consumers of this province. My question to the Premier, now repeated for the third time, is this: he has acknowledged it is sometimes difficult to predict what the price of oil is going to do. If the price goes up, then he is saying he is content with a certain level of taxation. If the price goes down—and we on this side of the House believe it will go down—is he prepared to entertain a fair break to the consumers of this province by making sure the tax goes down exactly in proportion to the decline in price?

**Hon. Mr. Peterson:** With respect to my friend, he now is advocating lower taxes when it was his government that snuck in the ad valorem tax, which went up automatically. We did not run around every three months putting it up on a survey of prices. We brought in a clear tax for this Legislature to adjudicate on. If the member has ideas as to how it should go up or down, he should bring them forward. We have nothing to hide. That is why we brought it forward in this way. The member can see the fair way in which we have done it.

It was the member's government that brought in the ad valorem tax, which dramatically raised taxes. As I recall, and I am going by memory, when he took over the tax was about four cents per litre, and he raised it to more than eight cents per litre. He doubled the gasoline tax and now he is telling me to give the consumers a break. I do not want to be unkind, but the casual observer would say that looks a trifle hypocritical.

**Mr. Speaker:** New question.

**Mr. Grossman:** Now, with the price going down, we will give the government the opportunity to be consistent. We will give it the opportunity next week to vote against a decline in the tax on gasoline for consumers. I want to see it vote in favour of higher taxes.

**Mr. Speaker:** Is that the question?

#### DE HAVILLAND AIRCRAFT OF CANADA

**Mr. Grossman:** I have a question for the Minister of Industry, Trade and Technology. Was the minister prepared to offer an interest-free loan, grant or any other financial incentive to a Canadian firm to have it purchase de Havilland?

**Hon. Mr. O'Neil:** First, I would like to say that yesterday the Leader of the Opposition (Mr. Grossman) had questions of myself and our government about our involvement with de Havilland. Might I review some of the facts. In 1981, de Havilland, which was having a lot of problems securing jobs, explored the possibility of provincial assistance in the area of direct financial aid for a number of capital projects, such as the five-axis, numerically controlled milling machine—

**Mr. Harris:** On a point of order, Mr. Speaker: We are clearly getting, as the minister has indicated, an answer to a previously asked question. That is not the question we are asking today. We are not interested in the answer to a previously asked question. There is a mechanism for that, and if that is what it is, fine; let the minister be honest and say, "I have an answer to a previously asked question," and you can rule on it.

**Mr. Speaker:** Order. I also remind the honourable member that there is another method if a member is not satisfied with an answer. I believe it is under standing order 28.

**Hon. Mr. O'Neil:** As I began to say, in leading up to an answer to the honourable member's question, when the previous government was asked to give direct financial aid to de Havilland on several occasions, one of the areas in which it was asked for aid was in direct financial aid for a number of capital projects, such as the five-axis, numerically controlled milling machine with associated computer-aided design and computer-aided manufacturing hardware and software.

That company also asked for direct financial assistance in new aircraft development. It also asked for concessional financing assistance to aid sales in the domestic market to meet offshore competition from Brazil and France. The former government took no action in those areas.

In 1983, de Havilland explored the—

**Mr. Speaker:** Order. Supplementary question.

2:20 p.m.

**Mr. Grossman:** I invite the minister to answer a question, preferably this one. Was the minister prepared to offer interest-free loans, grants or any other financial incentive to a Canadian firm? My question to the minister is not what happened in 1980, 1981 or 1982. Was he prepared to offer any assistance? Yes or no?

**Hon. Mr. O'Neil:** I really believe the Leader of the Opposition is very afraid of part of the answer I am going to give.

Is he aware that during March and April 1985, the former government, which was the member's government—

Interjections.

**Mr. Speaker:** Order.

**Hon. Mr. O'Neil:** I will try once more. During March and April of this year the former government was approached by a Canadian consortium which requested provincial involvement in the potential purchase of de Havilland. The former government chose not to participate.

Interjections.

**Mr. Speaker:** Order.

**Mr. Harris:** On a point of order, Mr. Speaker: At the start of his statement, in response to a previously asked question, the minister took about seven minutes. I ask you to consider whether that should properly have come as a statement; there is a vehicle in this House for that. He made a statement of seven minutes. He has not attempted to address the question. I ask that seven minutes be added to the question period.

**Mr. Speaker:** I appreciate the member's suggestion. However, I was on my feet a number of times trying to get order. On previous occasions when I felt there should be time added, I have added it.

**Mr. Morin-Strom:** Can the minister explain to us how the workers in Ontario will benefit from this deal? Can he guarantee that the contracts of Ontario workers who are currently under contract with de Havilland will be kept in force under the Boeing arrangement?

**Hon. Mr. O'Neil:** I thank the member for that question. As I mentioned yesterday, when the Premier (Mr. Peterson) wrote to the Prime Minister, several of the things he asked for were Canadian ownership, research and development, job guarantees and a world product mandate. We are very displeased to see that one of the things that was not included was the job guarantee. That was one thing for which we had asked.

**Mr. Grossman:** Would the minister be kind enough to send over a copy of the Premier's letter to the Prime Minister? Could he do that now? Could he send over a copy of the Premier's letter to the Prime Minister right now?

**Mr. Speaker:** Question, please.

**Mr. Grossman:** This is my final attempt to get any answer out of the minister. The federal member for the area, Robert Kaplan, has said there were 130 companies that had either contacted or been contacted by the federal

government regarding the potential purchase of de Havilland. Did the minister approach any of those 130 companies and tell them this government might be prepared to offer a loan, an interest-free loan or a grant? He did not contact those 130 companies and he has not done anything with companies—

**Mr. Speaker:** Minister.

**Mr. Grossman:**—such as American Motors (Canada), Hyundai and the movement of Petro-Canada—

**Mr. Speaker:** Order. The question has been asked.

**Hon. Mr. O'Neil:** Actually there were 135 companies, not 130. Yes, we were involved in dealing with some of those companies to make sure they had proper representation before the federal government.

**Mr. Grossman:** How many did he offer? How many did he contact? Zero.

**Mr. Speaker:** Order.

**Mr. McClellan:** I have a question for the Premier. He said yesterday: "I do not know the details on job guarantees, we have not seen those, but the federal minister will courier the specific contracts today. We are going to look at the contracts very carefully with respect to job guarantees and research and development in Ontario; that is our number one concern."

He added: "I do not know all the details on the job guarantees; that is something we want to see. We will look at it this afternoon." That was yesterday afternoon.

My understanding—and the Premier should correct me if I am wrong—is that he still does not have the contracts. The courier did not arrive. Is he still on his bicycle somewhere between here and Ottawa? Am I correct that the Premier has not even seen the contracts 24 hours after the sale? Has he seen them? Are there or are there not job guarantees?

**Mr. Speaker:** Premier.

**Mr. McClellan:** What is he going to do about it?

**Mr. Speaker:** Order. Premier.

**Hon. Mr. Peterson:** I am sorry to tell the honourable member that I have not seen them. We were promised yesterday that they would be couriered—I believe that was the expression—by the Royal Canadian Mounted Police. They have not arrived. We have been phoning all morning and for some reason only the general public documents that the member and I have both seen have arrived.



We have not seen that information and, frankly, I have no explanation. I do not know whether they mailed it by Canada Post or sent it by the RCMP or someone else.

**Mr. McClellan:** It is embarrassing to have to stand here and listen to the Premier of Ontario admit that 24 hours after the most silly sellout of a major sector of the economy in our history, the Ontario government still has no documentation and no knowledge of the details of the agreement or of the sale and is still completely clueless about the consequences for a major sector of our economy.

Assuming there are no job guarantees and no research and development guarantees, what does the Premier intend to do about the sale, if anything?

**Hon. Mr. Peterson:** I appreciate the point the member raises. It speaks to the reason this province and others had to take pretty strong stands with respect to participation with the federal government. When they tell me or my colleague at noon that the information will be couriered at three o'clock, I accept that at face value. We have not seen it. We have checked everywhere it could possibly be in this government building and we do not know where it is.

I am as bewildered as the member is. I do not know why it did not happen. It is not the level of co-operation I prefer. I am sure the member can appreciate that we are somewhat frustrated, as is he.

**Mr. Grossman:** The Premier said on November 25: "We have been assured that a deal has not been made and we will be given a chance to look at that before it is consummated, if it is. I understand there were two or three different bids. I am not sure of the details of each." The Premier said on November 25 he had been assured that a deal had not been made and that he would get a chance to look at it before it was.

**2:30 p.m.**

The Premier was very good at standing up and yelling at the federal government on free trade when the TV cameras were there in Halifax. Not only was he not consulted on de Havilland, not only did he do nothing to contact prospective purchasers, but today he also knows nothing about the deal when it comes to 4,000 jobs for Ontarians.

Does the Premier fight as hard quietly for Ontario jobs when the cameras are not there as he does blindly on free trade when the cameras are there?

**Hon. Mr. Peterson:** The Leader of the Opposition is far more sensitive to the cameras than I have ever been. My honourable friend is the one who talks about being fierce. Those are his words, not mine. That is not my approach.

There have been a number of discussions over a long period of time, in telephone calls and in other ways. I shared the information we had with this House when it was available. Let me ask this question: in fighting for Ontario's interest, is the member as dramatic on the telephone with his kissing cousins in Ottawa as he is here in this House? Will he save some of his fierceness and ferocity for fighting for our interests with his federal cousins in Ottawa, who have been so helpful to him? Perhaps if he turns some of that venom on them to make sure they protect those jobs we would be better off here.

**Mr. McClellan:** Would the Premier please try to use his good offices, pick up the telephone and phone, to ask Mr. Mulroney if he could send him the contracts? Would he then table them in the House so that we could see them?

Would the Premier agree to allow the House to express its opinion on this matter by introducing an all-party resolution which would express our opinion of the actions of the federal government in this sellout? Would he instruct the Minister of Industry, Trade and Technology (Mr. O'Neil) and the Attorney General (Mr. Scott) to investigate and report back to the House on what options are available to Ontario to intervene in this situation and salvage it before it is too late? Surely he will agree to that.

**Hon. Mr. Peterson:** As far as I am aware, there are no options available to this province to prevent that sale. It is not our property. We will share all information we have. Members will know that we are forthcoming in all of those things. We shared it today. We have given the history of the relationship of de Havilland and this government, and of how it was turned down at the door on many occasions by the former government. We made entreaties on behalf of the Canadian consortium, the Ringate group, to arrange for its proposal to be heard in Ottawa and members have heard the background in that regard.

I share the frustration of the member that the federal government has chosen not to share that information with us. If he and members opposite would like to join with me in conveying that strong message to Ottawa that they should share it, then I think that would be most constructive.

[Later]

**Mr. Grossman:** I have a simple and straightforward question for the Premier. He is unhappy there is an opposition party in the House now.

Interjections.

**Mr. Grossman:** Come on in, I say to my friends on the left; the water is fine, guys. Feel free to try it.

The Premier has said he has had a number of discussions with the federal government about de Havilland. Before Thursday when the House reconvenes, I wonder whether the Premier would be kind enough to table for us (1) the list of companies contacted by the Minister of Industry, Trade and Technology with regard to purchasing de Havilland and (2) the list of dates of discussions he has had with the federal government about de Havilland.

**Hon. Mr. Peterson:** I have no problem tabling whatever information we have. I have told the Leader of the Opposition that I have had private conversations with the Prime Minister. There are copies of letters we will share with him. There were other meetings. We shall also share with him the dates of the meetings in March and April when his government turned them down for any help at all. They approached his government and it turned them down flatly. We will talk about how we discussed matters with the Rimgate group and others. I am sure he will be satisfied this government has done everything it could to protect those people.

**Mr. Grossman:** We look forward to having that list before Thursday and we will chat about it again in question period. The Premier said on November 25, "We have been assured a deal has not been made and we will be given a chance to look at that before it is consummated...." Since I would never suspect that the Premier of Ontario would lie to the assembly, and I am sure he did not, is he telling us that the Prime Minister of Canada lied to him?

**Hon. Mr. Peterson:** I cannot believe the ferocity of my friend. My friend is used to using words such as that in trying to drag down the tone of this House. I will have none of it.

**Mr. McClellan:** Will the Premier table the contracts on Thursday? Will he introduce an all-party resolution that will express our view of the deal? Will he instruct his ministers to develop options to salvage what is left of our aircraft industry?

**Hon. Mr. Peterson:** I believe the Minister of Industry, Trade and Technology spoke at 12 noon or 1 p.m. today with Mr. de Cotret, the federal minister. We requested copies of those

contracts. Mr. de Cotret said, and the minister will correct me if I am wrong: "I have to check with my staff. I am not sure whether I can give you that, but we will send you a letter from Salomon Brothers saying it was the best deal we could make."

I would like to share the information. I wish we had it ourselves. If we can obtain it, we will share it. Now that there is support by all members of this House that we should have this information, we will convey that clearly to the federal minister this afternoon. We will say that in the opinion of this House—I assume I am speaking for all parties—the information should be shared with the legislators here. I will proceed with that this afternoon. I hope I will have it for the members. I cannot guarantee it, however.

#### OVERTIME WORKERS

**Mr. Mackenzie:** I have a question for the Minister of Labour on yet another overtime situation. I have here a copy of a letter dated November 25 which is addressed to the minister from the United Auto Workers' plant chairperson at Northern Telecom. The letter indicates that Northern Telecom in London has reduced its work force from 1,658 to 870, while at the same time the company has continued to receive overtime permits from the employment standards branch.

The UAW wrote to the employment standards branch last April and asked for a restriction on overtime permits. Could the minister explain why Northern Telecom has continued to receive the overtime permits?

**Hon. Mr. Wrye:** I am not certain because the member has not indicated whether those are special permits or are simply the blue permits allowing 100 hours of overtime. As the member knows, these are given in a very matter-of-course way and it may be understandable and defensible that those blue permits were used for hours other than eight per day and 48 per week. I am sure the member is aware of that. I have not seen the latest letter. It has not reached my desk, but if the member wants to send me a copy of it I will have a look at it.

In August and September this year, the company received additional permits for almost 3,000 excess hours of work for certain skilled and salaried employees in Bramalea. The member appears to be asking about a Northern Telecom location other than that.

I finally had an opportunity to meet at noon today with senior management of Stelco to discuss these matters, and I hope we can move



this matter forward in at least an interim way in the next few days. It is a serious problem, and I appreciate the concerns the member has.

**Mr. Mackenzie:** The minister is aware the use of overtime permits is excessive; a 20 per cent increase in the last year alone, and in the reference week in September the equivalent of 188,500 jobs. The minister has said that anyone who wants one can get the regular permit to which he refers. He is quoted as saying he is thinking of coming up with some remedies.

Are we going to continue to handle this on a case-by-case basis? Would it not be better if the minister decided it was time to put a moratorium on overtime permits so that industry gets the clear signal we are not going to continue with this abuse of overtime permits?

**Hon. Mr. Wrye:** I do not want to be provocative, but what the member has suggested is an unfortunately simplistic response to a very complex problem. I do not disagree with my friend that, on the face of it, we have a difficult situation, one for which a remedy might be provided that might create additional employment. However, I hope my friend and the members of his party would not want to do anything to industry or the workers in place to make them lose contracts, which would cause them to either reduce the work force or perhaps ultimately have to shut the plant because of the restrictive nature of our hours-of-work law.

I am willing to look at it, but we ought to look at it before we start drawing conclusions.

**Mr. Gillies:** I am sure the minister will know the complexities of this issue are not lost on any member of the House, but he must be struck by the contrast. At a time when certain companies in the province are reducing their full-time employment and moving to part-time, such as A and P, there are other companies whose full-time employees are working overtime.

The minister has said he will consult with industry for a time, and if there is no response on this issue he will move within his ministry to restrict permits. Could he tell the House what his timetable is? How long is he going to talk? When is he going to act?

**Hon. Mr. Wrye:** I do not want to be unfair to my friend. He is new in his critic's role. He may remember, as a parliamentary assistant, this issue was around even in those days. Unlike this minister, the minister of the day did absolutely nothing.

I would like to come forward to this House in the next short while with some interim measures, some of which I have discussed with industry.

They are achievable and workable in the short term. I want to be quite candid with the member and with the House. Over the long term, any study we undertake is not going to be a two-week or even a two-month study. The issues are very complex and need to be worked through very carefully. Also, it will not be a two-year study, and the government is quite committed to taking a careful look at appropriate action we might take.

**Mr. Mackenzie:** The minister will surely realize the figures I will give him shoot down the argument he has just tried to give us. He is talking a good line, but I wonder in what century he is living. British Columbia has a 40-hour work week, as do Manitoba, Saskatchewan and the Yukon. Can the minister tell us when Ontario is going to get a 40-hour work week?

2:40 p.m.

**Hon. Mr. Wrye:** I think my friend would agree with me to some extent that he now has raised an entirely new issue. We intend to address it. Let me tell him why. I see my friend the member for Sudbury East (Mr. Martel). Surely he knows that the concerns expressed by him, by the member for Sudbury (Mr. Gordon) and the member for Nickel Belt (Mr. Laughren) in regard to excess hours at Inco have nothing to do with a 40-hour work week. I say to the member for Hamilton East that is exactly the complexity. We will not only be looking at overtime hours in excess of 48 hours; we will also be looking at the appropriateness of a 44-hour standard work week in 1985.

## PLANT SHUTDOWNS

**Mr. Foulds:** I would like to move from the sellout in Mississauga to a mine closure in northwestern Ontario. Will the Premier tell me what action he and his government are prepared to take with Inco with regard to the complete shutdown of its mine at Shebandowan, some 30 miles west of Thunder Bay, entailing a loss of some 124 jobs? In particular, will he indicate what action he is willing to take to prevent the company from trying to weasel out of its responsibility under section 40 of the Employment Standards Act by terming this closure "a suspension of operations"?

**Hon. Mr. Peterson:** The Minister of Northern Development and Mines will be able to give the member a more complete answer on that.

**Hon. Mr. Fontaine:** Inco announced this just last week. The Minister of Labour (Mr. Wrye)

and I are looking at all the details. If the member tells me that there was—

**Mr. D. S. Cooke:** Would this be by courier too?

**Hon. Mr. Fontaine:** No. We are working on that because we are still meeting with Inco. It is not over yet.

**Mr. Foulds:** I would like to go back to the Premier. If he wants to redirect to his minister, he may, but it is obvious the minister is not fully informed of the situation.

**Mr. Speaker:** The question was redirected. The supplementary must come out of the response; therefore, it should go back to the minister.

**Mr. Foulds:** All right; I will go back to the minister. Because he is so ill-informed, he may wish to redirect to the Premier.

Surely the minister will agree that the closure of a mine and the loss of jobs are tragic enough. We are losing more jobs in the mining industry than we are picking up. Does the minister not feel the same sense of outrage I do that Inco appears to be targeting a particular small local at this mine by refusing to offer early retirement and by refusing to pay severance pay that is due to these workers? Does he not think it is about time he had at least four or five days of discussion, that he bang some heads together at Inco and make it meet its responsibilities under the Employment Standards Act?

**Hon. Mr. Fontaine:** I am repeating myself. We are talking with Inco, and the Minister of Labour is doing the same thing. I ask my honourable friend to wait a few days to see what we can do on this issue.

**M. Pope:** Le ministre a indiqué que ce n'est pas fini. Est-ce que l'Inco lui a indiqué qu'elle veut changer ses idées?

**L'hon. M. Fontaine:** Sur la question d'Inco, ce n'a pas été question seulement de Shebandowan. Il y a une question de Sudbury en même temps. On ne peut pas travailler sur les deux places qui ont mis des personnes à pied. On ne peut pas utiliser cette question-là avec l'Inco. On a demandé de reconsidérer certaines choses qu'elle a faites. C'est tout.

2:50 p.m.

#### COURT RULING

**Hon. Mr. Scott:** On Tuesday last the member for St. George (Ms. Fish) asked me whether a decision had been taken to appeal the case of Regina and Gayme and that of Regina and Seaboyer. Those were cases in which Mr. Justice

Galligan of the Supreme Court of Ontario had held that section 246 of the Criminal Code was unconstitutional by virtue of the charter. I am able to tell my honourable friend that a decision has been taken to appeal both cases to the Court of Appeal of Ontario.

**Ms. Fish:** As I raised with the Attorney General the other day, the concern that now rests, particularly among women, is the question of protection for those women who have been the subject of violent sexual assault during the appeal period. What steps will the Attorney General be taking to ensure that women who are the subject of such assaults are fully protected and continue to be encouraged to come forward to report these crimes with the full confidence of the protection that is their right before the courts?

**Hon. Mr. Scott:** As the honourable member knows, during the pendency of the appeal it is likely, though not inevitable, that the lower courts will follow the decision that Mr. Justice Galligan has made, with the result that the kind of evidence the decision contemplates may be led in court.

We will in the meantime continue with the policy we have had for some time of doing everything possible to ensure that complainants in sexual assault cases are properly prepared for trial and are initiated into the process in a way that makes them reasonably comfortable.

As the honourable member knows, special crown attorneys have been assigned to this task in each of the judicial districts in Ontario. We intend to monitor that program, particularly at this period of time, so that complainants in those cases will have every reason to feel they will be dealt with fairly.

#### ONTARIO INSTITUTE FOR STUDIES IN EDUCATION

**Mr. McFadden:** I want to direct a question to the Minister of Colleges and Universities. In the October budget, the Treasurer (Mr. Nixon) announced the government's intention to transfer the administration of the Ontario Institute for Studies in Education to the University of Toronto, an announcement that came as a complete surprise to all parties concerned.

At the time of the announcement, discussions were under way between the University of Toronto and OISE to do the opposite, OISE being considered a better vehicle because of its worldwide reputation to administer the university's faculty of education.

This particular proposal does nothing but create uncertainty among the faculty members



and students of OISE and within the education community generally. I would ask the minister whether he is now in a position to indicate to the House how the quality of Ontario's education will be improved by this proposal in the budget.

**Hon. Mr. Sorbara:** I would like to correct a point of information by the questioner. The exact opposite was not in the contemplation of the parties at all. In fact, it was the case that a long discussion was going on about a further affiliation agreement between the two institutions because graduate students in the Ontario Institute for Studies in Education receive their degrees from the University of Toronto.

We believe as a government that the announcement in the budget of the union of the two institutions will enhance the viability of the Ontario Institute for Studies in Education, and that is why we have proceeded. If the member wants details on the enhancement, I cannot give those kinds of details at this point but we are confident that if the two institutions work together each can be enhanced. In particular, the faculty of education at the University of Toronto can be enhanced and the institute, which is a world-class organization, can continue the work it does.

**Mr. McFadden:** In the budget, the treasurer justified the proposed transfer on the grounds of eliminating duplication. In order to remove the air of uncertainty for the hundreds and thousands of faculty members and students involved, can the minister now indicate to the House the duplications the transfer of OISE will eliminate?

**Hon. Mr. Sorbara:** Once again I am not prepared to give the member specific examples of duplication. We are of the view that the synergies that will result from those institutions working as one will make a more effective unit than those institutions operating independently.

**Ms. Bryden:** Is the minister not aware that the decision in the budget was arrived at without consultation with the heads of either institution and with absolutely no consultation with the faculty, the unions or the staff of these organizations? As a result, as my honourable friend beside me has said, there is great uncertainty among all of those people about what will happen within the next year or two.

Will the minister not provide a vehicle through which public hearings can be held in order to find out how these two institutions can work together and how we can retain the identity of the Ontario Institute for Studies in Education and its contribution to education in this province—

**Mr. Speaker:** Order. I think that is enough for a question.

**Hon. Mr. Sorbara:** I think the honourable member will agree that life is filled with uncertainties. The fact is that discussions have been going on right from the day the announcement was made in the budget. I have met with the president of the University of Toronto and the director of OISE. I have met with the faculty. Indeed, yesterday I was meeting with the board of governors of OISE. Certainly, there is a degree of uncertainty that exists right now, but we believe that if each party discusses the union in good faith we can create a model that will be effective in implementing the decision taken in the budget, and we can do that in very short order.

Interjection.

**Mr. Speaker:** Order.

#### PLANT SHUTDOWNS

**Mr. Laughren:** The Premier will know that a couple of weeks ago the Minister for Northern Development and Mines (Mr. Fontaine) indicated in this chamber that he had met three times already with Inco concerning the planned reductions in the work force in Sudbury. Inco subsequently announced it was were shutting down for two and a half months next summer.

He will know as well that the minister indicated the cabinet had dealt with the Inco question on three previous occasions to that date of November 21. Can the Premier now tell us whether he is prepared to deal with the long-term economic problems in Sudbury; and if so, in what way?

**Hon. Mr. Peterson:** The member raises a good question. Let me just start to address it. I wish I had all the magic answers for that. I do not, this government does not and I do not think any government that was here before had them.

We have started a consultation process, and there is a very active committee of cabinet working on these things. I have met with a representative group from the Sudbury area. I will be meeting again, I believe on December 19—or December 18 perhaps—with a number of officials from there as well as union people.

We have seen a depressed world-wide nickel market. We have seen a dramatic drop in employment—I am going by memory—from 17,000 to 7,000 hourly workers. There appears to be no simple and easy solution. Therefore, we are working on alternatives to bring balanced growth. We are looking at the other natural

advantages that community has to try to keep its economic viability.

We are going to need the talents of the honourable member and the talents of every member in this House to work on those co-ordinated plans. I recall experiments of the past, such as Sudbury 2001. The solution proposed by that one, as I recall, was to bring angora goats up to Sudbury. I am not sure that particular experiment met with a great deal of success, but we are struggling with that problem.

I can assure the member it is a very high priority for the Minister of Northern Development and Mines, the Minister of Labour (Mr. Wrye) and a group of ministers who are putting their minds and attentions to this matter. I can tell the member, in conclusion, that we welcome his advice.

**Mr. Laughren:** I am prepared to give that advice in the form of a question. Since the Premier has not taken my advice in the past, perhaps he will this time. He will recall that I asked that we invite Inco to appear before an all-party committee to deal with its long-term plan.

Since he would not do that, would he support an all-party committee of this chamber to look into three specific issues for Sudbury: (1) the establishment of a mining machinery complex there; (2) the utilization of phosphate resources in northern Ontario, combined with the sulphur dioxide emissions, to build a fertilizer plant which, heaven knows, we could use, and (3) the building of a much-needed smelter to process the precious minerals in Sudbury?

**Hon. Mr. Peterson:** Perhaps they are constructive ideas. I do not know all the details. I know it was the dream of the previous government to make the member for Sudbury East (Mr. Martel) the chairman of Inco, but this government is going to make the member for Nickel Belt the chairman of Inco so he can effect some of those. That is one of the changes we have brought.

We are prepared to work with all those alternatives and specific suggestions of the member. I can assure him, and I am sure he is persuaded of this already, that the Minister of Northern Development and Mines is prepared to work with him in implementing those ideas.

We may come to the conclusion that a committee is the most appropriate way to approach the matter; I have no particular strong feelings one way or the other. Sometimes those things can get bogged down in discussion rather than having real action plans. However, I invite

the member to meet with the minister, share his ideas and his proposals in that regard, and perhaps we can get going even faster on some of his ideas.

**3 p.m.**

**Mr. Bernier:** In view of the number of questions that have been advanced during this question period on the Inco situation at Sudbury and at Shebandowan, will the first minister undertake to inform the House as to what meetings were held between Inco and the Minister of Northern Development and Mines and the Minister of Labour? Will he table the dates of those meetings, the names of the people who were at those meetings and the information on all that was discussed? There seems to be some doubt and some confusion as to the sincerity of the government.

**Hon. Mr. Peterson:** I can tell the honourable member that I do not share that. There may be some doubt as to the sincerity of his question and whether it is trying to accomplish anything.

When we meet with people it is always public knowledge; there are no particular secrets. I am sure he is one of those members who do their homework and know with whom we are meeting. Every time I go to Kenora he is there keeping an eye on me and he knows what I say.

I am delighted to share that with him, but the negotiations and discussions sometimes are private and sometimes they are not, as we are trying to reach some realization and some solutions to these problems. Let me tell the member that we are prepared to share it. We have nothing to hide from him.

**Mr. Speaker:** The Minister of Labour has a response to a question previously asked.

**Hon. Mr. Wrye:** Mr. Speaker, the response is to a question asked by the member for Sudbury East (Mr. Martel), who has had to go to another meeting. Perhaps we can hold it to another day.

#### NORTHERN HEALTH SERVICES

**Mr. Pope:** I would like to ask the Premier a question, and if the Minister of Health (Mr. Elston) comes back, I would not mind it being referred to him.

On November 25, the Minister of Health stated in the Legislature, with respect to northern health care programs: "This is an issue on which a number of promises were made by the previous government over the past several years. It is one on which the Peterson government will now act."

**Mr. Laughren:** In which the previous government showed no interest.



**Mr. Pope:** If the member for Nickel Belt would listen to this, he might learn something.

Last Wednesday, on page 9 of the *Instant Hansard* of the standing committee on general government, the Minister of Health finally admitted that the previous government had funded a northern health transportation program in May and that he had not implemented it.

I would like to ask the Premier, will he make his northern health transportation grant program retroactive to July?

**Hon. Mr. Peterson:** I think the honourable member has seen that the minister has put forward his proposal, and we are not planning any changes in that.

**Mr. Pope:** In other words, this government sat on that program for six months for political reasons when northerners were being denied transportation.

Given that the Minister of Health, in the same statement on November 25, announced a northern specialist program and that he announced last Wednesday he would make that retroactive to July, why is he treating medical specialists in the north differently from northern residents with respect to the northern health initiatives?

**Hon. Mr. Peterson:** I do not pretend to be an expert on this matter, but my recollection of history goes something like this: northern medical travel was something the previous opposition members supported; obviously the member for Port Arthur (Mr. Foulds) was one of the major proponents of that program, but our party in opposition then supported it. As I recall, the previous government did not support it.

I remember former Ministers of Health—I am not sure whether the honourable member was one of them—saying, “We are not going to treat the northerners like colonials.” Was that not the line they used? They absolutely refused. The former Premier said, “Absolutely not.” Then, under pressure I gather, during the campaign one day—and I am only going by my memory, so I ask members to help me out if I am wrong—he came up with a \$1.5-million program, a picayune little program, to get the political heat off his back because he was changing his mind throughout that last campaign, as his party has done in opposition since.

Under the pressure of May 2 to June 26, the member's party came out with a number of half-baked programs, trying to buy a little time. His government spent \$181 million in allocations all over the map, and that was one of the problems we had to deal with. The problem had

not been thought through and people had not been consulted.

We took the information that was available, proposals from the honourable members opposite and from this side. We consulted widely in the north. The parliamentary assistant, the member for Wentworth North (Mr. Ward), travelled in all of northern Ontario and today we have a solid program that does the job: the politics of commitment, not just the politics of expediency.

**Mr. Pope:** On a point of privilege, Mr. Speaker: When the Premier wants to lecture the House about the facts, why does he not read them?

**Mr. Speaker:** What is your point of privilege?

**Mr. Pope:** What the Premier has just said is in direct variance with the facts that were indicated by his Minister of Health last Wednesday.

**Mr. Speaker:** Order. That is the member's point of view.

**Mr. Foulds:** I would like the Premier to make a commitment to table in the House all proposals that have been devised by the Ministry of Health in the two years previous to the implementation of the government program.

**Hon. Mr. Peterson:** It is a fair commitment. We are an open government and we want to share all the information, be it nine drafts of separate school legislation or various proposals. I do not want to spend all my time trying to embarrass the previous government. We are getting on with trying to straighten out the problems. We are trying very hard to deal with the problems in a creative and courageous way, and I am not so anxious to spend all of my time in the past because, as someone has said so eloquently, every time one opens a closet around here there is a new skeleton we have to deal with. It is not constructive trying to clean up the messes. Let us get on with the future.

#### EQUAL PAY FOR WORK OF EQUAL VALUE

**Ms. Gigantes:** My question is to the Treasurer. The issue of pay equity in 62 Ontario hospitals is going to compulsory arbitration, and specifically the arbitrator is going to be asked for an adjustment that will make the wages of the lowest-paid women's jobs equal to those of the lowest-paid men's jobs. The jobs are of equal value. If we can assume the government is committed to implementing equal pay for work of equal value, will the Treasurer indicate to the arbitrators that the province's fiscal policy can be

interpreted as one that includes pay equity in a case such as this?

**Hon. Mr. Nixon:** I do not believe the arbitrators have ever asked for the policy of the government in this respect. In most cases, they reject that matter and consider their arbitration responsibilities independent of the so-called ability to pay. The previous government, by legislation in the past, tried to change that. However, we are committed to the policy of pay equity.

The law of the province requires arbitration, and while I do not want to encourage the arbitrator to make a decision either way, other than what is fair, the Treasury will have to stand behind the decisions brought to the Minister of Health (Mr. Elston). We have to support our hospitals and medical services in a fair and equitable way, and that will be governed by the arbitration.

**Ms. Gigantes:** I wonder whether the Treasurer has forgotten that on the question of wage restraint it is precisely groups such as these women who have suffered a great deal. The wage gap between men and women has increased under wage restraint, and in that case the arbitrators were carrying out explicit government policy.

I would ask the Treasurer whether in this case he would be willing to indicate publicly and to the arbitrator concerned that he is willing to see some of the \$132-million contingency fund in his budget extended for this kind of use.

**Hon. Mr. Nixon:** The requirements of restraint legislation no longer apply. As far as I can see, the arbitrator has to make a judgement on equity and report it, and we have to respond in kind.

3:10 p.m.

#### GASOLINE PRICES

**Mr. Runciman:** This is a question to the Premier. Yesterday, I asked the Minister of Consumer and Commercial Relations (Mr. Kwinter) about his ministry's failure to represent Ontario consumers at recent hearings of the Restrictive Trade Practices Commission dealing with Imperial Oil's decision to drop its dealer support system for gasoline retailers, a move that will hurt the small business people who run Esso stations as well as the consumers.

The minister indicated that he did not know anything about the committee hearings and that it was probably a federal matter. Since the minister has obviously abdicated his responsibility to

Ontario consumers, will the Premier undertake that the commission is apprised of its concerns?

**Hon. Mr. Peterson:** I did not even know about the honourable member's question yesterday to the minister; so how can I be helpful?

**Mr. Runciman:** That is typical of the nonanswers we are getting from these people. As a supplementary question to the usual kind of nonanswer—

**Mr. Gilles:** Does the Premier also not know—

**Mr. Runciman:** Yes; does the Premier also not know? His government has already announced its wish to raise gasoline taxes, and now it wants to stand on the sidelines while options for reduced prices are removed. Will the Premier show some concrete concern, not the usual public relations fluff, and ensure that the best interests of Ontario consumers are safeguarded?

**Hon. Mr. Peterson:** I can assure the member we will always fight for the consumers of Ontario.

#### PCBs IN FOOD

**Mrs. Grier:** I have a question for the Minister of Agriculture and Food, but I will direct it to you, Mr. Speaker, because you are so much better-looking than the minister.

[Applause]

**Mr. Speaker:** I am glad we all agree on something today.

**Mrs. Grier:** If the time has expired, I will wait until tomorrow—no, I cannot do that.

Yesterday the minister indicated that the levels of polychlorinated biphenyls that had been found in Ontario foodstuffs were, to quote him, "not all that hazardous." The average daily intake of PCBs in Ontario is 51 micrograms. The federal guideline is one microgram per kilogram of body weight. That indicates a 110-pound woman is exceeding the recommended intake on a daily basis.

In view of those figures, contained in the information the minister was reading yesterday, does he still stand by his statement that the levels are not all that hazardous?

**Hon. Mr. Riddell:** With regard to the concerns that were raised by Dr. Hallett of Environment Canada, a check today with the health protection branch of the Department of National Health and Welfare revealed that it has been monitoring the human diet for some time and is satisfied that PCB levels do not pose a health hazard for consumers.

Perhaps the honourable member noticed an article in today's *Globe and Mail*, entitled



"Today's Action Will Help Tomorrow's Food: Destroying PCBs Called Only Solution." That is exactly what I indicated in my response to the member's question yesterday. These people did nothing about destroying the PCBs in the environment and we are taking action. It is the only way we can go to get the amount of toxins in the environment reduced.

## REPORT

### STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Mr. Laughren from the standing committee on resources development presented the committee's report on the 1984 annual report of the Workers' Compensation Board and moved the adoption of its recommendations.

**Mr. Laughren:** I have a few comments. First, I would like to express my appreciation to the members of the committee, all of whom worked extremely hard to enable us to present a report with recommendations on which there was a consensus of the three-party committee. I appreciate very much the work of the individual members.

The staff of the committee was extremely helpful, the clerks and our research person, Merike Madisso, who despite having a legal mind is able to write with clarity; she aided greatly in allowing us to present a report that is most readable.

There are a couple of brief points I should make to the House. First, the feeling of the members of the committee is that the level of frustration in dealing with the problems of the Workers' Compensation Board is at an all-time high.

The new members of this chamber were most helpful in expressing their surprise at how difficult it was to deal with problems at the Workers' Compensation Board. The members of the committee who were elected this year were an enormous asset in expressing their sense of frustration. Many of us who have been around here for a long time felt we were repeating ourselves; so it was refreshing to have new members express that view.

Second, there is an expectation by members of the committee that we will get a response from the Workers' Compensation Board and from the Ministry of Labour on our recommendations.

Finally, we also are hopeful that the recommendations contained in here will be debated in this chamber at an early date.

On motion by Mr. Laughren, the debate was adjourned.

## MOTION

### COMMITTEE SUBSTITUTION

Hon. Mr. Nixon moved that Mr. Andrewes be substituted for Mr. McCague on the select committee on economic affairs.

Motion agreed to.

## INTRODUCTION OF BILLS

### SECURITIES AMENDMENT ACT

Hon. Mr. Kwinter moved, seconded by Mr. Offer, first reading of Bill 68, An Act to amend the Securities Act.

Motion agreed to.

**Hon. Mr. Kwinter:** I am pleased to introduce the Securities Amendment Act. The principal purpose of the bill is to replace the existing provisions of the act related to takeover bids and issuer bids.

The bill represents the results of a review of the existing provisions commenced in 1982 by the Ontario Securities Commission in consultation with the securities industry and other provincial securities administrators. It constitutes the first comprehensive review of the Ontario takeover bid legislation since the 1966 Kimber report.

The bill contains the substantive provisions of Bill 159, introduced in the Legislature in December 1984, as revised in response to public comments and to intervening events in the marketplace.

The bill also contains housekeeping amendments, including an increase in the membership of the Ontario Securities Commission from nine to 11 and the recognition of clearing agencies by the commission.

### INSURANCE RATE CONTROL BOARD ACT

Mr. Swart moved, seconded by Mr. Charlton, first reading of Bill 69, An Act to establish the Insurance Rate Control Board.

Motion agreed to.

**Mr. Swart:** The bill establishes an Insurance Rate Control Board which would have the power to ensure the availability and adequacy of all classes of casualty, property and liability insurance and to fix rates that are just and reasonable.

3:20 p.m.

## ORDERS OF THE DAY

### GASOLINE TAX AMENDMENT ACT

Hon. Mr. Nixon moved second reading of Bill 51, An Act to amend the Gasoline Tax Act.

**Hon. Mr. Nixon:** This long-awaited bill, An Act to amend the Gasoline Tax Act, replaces the ad valorem taxation of gasoline and aviation fuel with specific amounts of tax per unit. Future tax changes will not be automatic but will require the approval of the Legislature. Utilizing this approach, the bill proposes that the new specific tax for all grades of gasoline be 8.8 cents per litre.

Upon introduction of this measure, statements were made on all sides of the House. The official opposition has opposed it, as it has opposed all revenue measures. Members of the New Democratic Party, particularly the Treasury critic, the member for Port Arthur (Mr. Foulds), and some of his colleagues, have indicated they are not prepared to vote for it either. Being reasonably proficient in grade 2 arithmetic, I believe it is apparent that the bill cannot carry in its present form.

For that reason I have already given the Treasury and Revenue critics notice that if this bill receives second reading and goes to committee of the whole, I propose to amend the figure of 8.8 cents per litre to 8.3 cents per litre. That amount is selected because it is as close to remaining unchanged, as far as revenue is concerned, as we can get without splitting the decimal point even further.

Frankly, I am concerned about the revenue aspects of this reduction, but I do believe that, since the Legislature will now be seized of the direct responsibility to amend the tax whenever it is put forward by a minister of the crown, the Legislature may in the future have an opportunity to reconsider the amount of the tax. I will have an opportunity when second reading is completed to refer to specific comments made by honourable members, and I will then have a chance to compare our tax levels with those of other similar Canadian jurisdictions.

We are prepared to forgo the revenue, certainly for the rest of this fiscal year, by recognizing other sources of revenue and making adjustments in our expenditures, which I believe can be done in a responsible way fiscally and politically. Having made that commitment, I assure the honourable members that the amount of the tax will be reduced in committee from 8.8 cents per litre to 8.3 cents.

The new specific tax on aviation fuel will be 1.88 cents per litre, and these proposed rates will take effect on the day after royal assent.

To simplify the objections and appeals process, the time allowed for the taxpayer to object to an assessment is extended from 90 days to 180

days. Provision is made to extend this time limit where circumstances prevent the taxpayer from meeting it.

The provision in the act that grants the minister rights of entry, search and seizure for any purpose related to the administration or enforcement of the Gasoline Tax Act is repealed. In its place the corresponding entry, search and seizure provisions in the Provincial Offences Act will apply. The warrant provisions of the latter act allow the minister to enter, search and seize only when reasonable grounds exist to believe that an offence under the Gasoline Tax Act has been committed.

Other amendments in this bill are administrative in nature and consequential on the replacement of the ad valorem tax on gasoline with a unitary tax. Such amendments include the repeal of the provision defining "taxable price per litre" and those authorizing the minister to make regulations prescribing the taxable price per litre of fuel.

**Mr. Andrewes:** I am pleased to make some comments with respect to the bill. At the outset, I wish to thank the minister for the notice he gave us on the proposed amendment after sober second thought, and certainly because of his ability to use a calculator. I am sure he recognized there were some very serious concerns among the members of the opposition with respect to this legislation.

I have a number of comments to make on the bill, as do other members of our caucus, so I hope the Minister of Revenue (Mr. Nixon) has taken notice of that and has appropriated sufficient time in the House to sign his mail, to write his Christmas cards and to do all those other things—

**Hon. Mr. Nixon:** How about listening to what the member has to say?

**Mr. Andrewes:** We know he never listens to what we have to say. We have been around here long enough to have learned that. I would only want him to know there are a number in our caucus who have some very distinct concerns about this legislation which they want to bring to his attention.

This is a rather important debate because there are some basic principles at stake. The first and probably foremost principle at stake is the question of an ad valorem tax. I have discussed my point about ad valorem taxes with the Minister of Revenue and Treasurer before. It is ironic that we have a Treasurer now who brings in a change in taxation policy, a move from ad valorem to a specific tax, at a time when gasoline prices are likely to fall, a tax which he as a



member of the opposition some 12 months ago attacked the government vigorously on for its apparent greediness by taking advantage of windfall gains as gasoline prices would rise. Yet at a time when gasoline prices are about to fall substantially, when that windfall would not fall to the government but to the consumers, he is changing it.

The people who daily go to the gas pumps to fuel their cars so they can drive to work, seek recreation and visit their sick aunts and uncles on the weekends are now being asked to forgo that windfall that would have been properly theirs had that *ad valorem* principle been in place.

Perhaps I carelessly and improperly described as a windfall the saving one would achieve as a result of this *ad valorem* application. It is a realistic measure. In the last decade we have gone through a very difficult period of price increases, particularly on petroleum products. We saw oil prices rise from a world price of roughly \$2 a barrel in the early 1970s to about \$34 a barrel now; a substantial increase, the bulk of which took place in that five-year period of 1974-75 to 1980.

We now face a situation where it is predicted those prices might decline. I would not want members to infer that my statement is made simply blandly and offhandedly in this Legislature. I want members to know I have properly researched this material. I refer members to such noted authorities as Mr. Philip Verleger—

**Hon. Mr. Nixon:** The Philip Verleger?

3:30 p.m.

**Mr. Andrewes:** The Treasurer will remember him well. He said the most extreme prediction of a possible slide in oil prices is that they would go as low as \$10 per barrel starting next spring. Mr. Verleger put that position forward. He is an independent economic consultant from, of all places, Washington. Who could challenge his authority when he comes with those credentials?

He went on to say that the current world surplus of crude oil, which has meant members of the Organization of Petroleum Exporting Countries are shipping only 60 per cent of their capacity, could be made worse by the devaluation of the US dollar. He continued by saying that the devaluation of the dollar will increase pressure on oil companies to increase sales and this will add to the surplus.

Mr. Speaker, I will not bore you with a lot of the background and quotes from world authorities, but I want to refer the member for Port Arthur (Mr. Foulds) to one other authority. James McNabb, manager of the economics and

policy division of Conoco Inc. of Wilmington, Delaware, sees a low of \$20 a barrel for crude oil through the late 1980s with prices rising in the 1990s as increased demand uses up the surplus of the OPEC nations.

That is very clear evidence, in our view, that prices for crude oil around the world will fall and that the price of gasoline in Canada and in Ontario should fall by next spring. So we have put forward, on behalf of this party, a position which we will be inviting members of the Legislature to support.

The Premier (Mr. Peterson) indicated in question period today that he is willing to hear our input and give it his consideration, so we are inviting the Premier, the Treasurer and Minister of Revenue and Liberal House leader, the member for Port Arthur and the member for Ottawa whatever it is to support a position in which the tax on gasoline would be ratcheted down based on falling retail prices. We are going to invite those members of the government, those members of the third party and ourselves to support that very important position.

If there is confusion about the issue, I want this party's stand to be very clear. "The Ontario Progressive Conservative Party will be inviting members to support a position on a tiered tax system that will protect consumers when the price of gasoline drops at the pump." So said Larry Grossman, leader of the Progressive Conservative Party of Ontario.

**Mr. Foulds:** Cannot the finance critic say it for himself?

**Mr. Andrewes:** The member for Armourdale (Mr. McCaffrey) recognized the quote, did he not? Yes, certainly.

The second very important principle at stake here is that what the government originally proposed was a tax increase on gasoline, a revenue measure which, by our estimation, would have increased government revenues by some \$50 million to \$60 million. It is now saying, by way of the Minister of Revenue's statement, that it is prepared to back off this position.

If one believes the media, if one is prepared to accept what the media tell us—I am, for one—one would have to accept that the government has backed off its position with respect to its proposed tax increase to honour the accord with the New Democratic Party. That is fair enough. I am not going to stand here and whine about a private agenda that has been struck by two political parties in this province that put one party in power, one party in government as its result.

**Mr. Foulds:** It is a pretty public document.

**Mr. Andrewes:** However, it was never put to the test of the voters.

**Mr. Foulds:** The member's certainly was.

**Mr. Andrewes:** I am saying I am not prepared to pursue that issue. Although the member for Port Arthur may provoke me, I am not going to take the bait.

The basic principle of amending budget bills, whereby those amendments were often viewed as votes of no confidence in the government, has changed as a result of that accord. Therefore, Mr. Speaker, we suggest to you that the rules have changed. We would issue a caution to you, sir. We would put you on notice that we will be moving amendments to budget bills from time to time that you may not accept, based on precedent that was established in this House. Perhaps the Speaker can cite rules to substantiate his decision, but he must consider that these rules have changed and perhaps he must look differently at these proposed amendments.

The real principle at stake here is the fact the government has proposed an increase in tax. It has done that without spelling out the details of its programs. I mentioned that in my discussion with the minister last night. The budget does not address in any substantive way, certainly not clearly, the government's attempts at economic stimulus. It does not address the question of job creation. It does not address the housing crisis in this province, one that looms over us in this city right now as a threat to the very peace and stability we have come to expect in this country. It does not address the question of major municipal works projects, the needs for transportation or tourism promotion, a very important sector of our economic development. It does not address research and development and it does not address stimulus for small businesses in any substantive way.

Lest my colleagues think I am inviting them to embark on a full and exuberant debate on this bill by giving them some stimulus for their conversations, I want to say that we feel very seriously concerned about the lack of information in this budget, more so than about what information is there.

The government has now recognized its folly. It is prepared to back off its tax increase. I want to congratulate the government on this move. It is not often that a government backs down on a tax measure. This one has. However, I have to wonder, as I said at the outset, had the Tories and NDP not indicated their nonsupport for this legislation, would the government have made the

move it did? My answer is no, and I am sure the Treasurer would agree. He has done his mathematics. He admitted that at the outset. So one says, democracy works; it is alive and well in the Ontario Legislature.

**3:40 p.m.**

Let me deal with another rather substantive principle. Prices for gasoline in Ontario are directly related to the price of crude oil in this country, the price that refiners in Sarnia, which is a great part of Ontario, in Toronto, in Clarkson, in Bronte, in Montreal and in parts of Alberta and Saskatchewan must pay. The price of gasoline is clearly dictated by what those refiners must pay for crude oil supplies.

In Canada something called the national energy program, a program implemented by the former federal administration under the guidance of former Prime Minister Pierre Elliott Trudeau, provided for a highly regulated system of pricing for crude oil in this country. I suppose one could argue that this kind of regulated system was part and parcel of that government's interventionist policies and attitudes.

It successfully scared off investment in the oil and gas industry. It targeted what investment there was by offering cheques to those who could afford or had the equipment and the resources to go out and drill for oil in the Mackenzie Delta or off the shore of Newfoundland or of Nova Scotia.

It provided them with a cheque they could use to go out and do these things, but it scared off investment in the traditional industry in Alberta. It gave an advantage to major and multinational corporations, but it frightened off or simply starved out those smaller companies that did the drilling, the very important work, in the more traditional lands of Alberta and Saskatchewan.

It got into a very complicated system of talking about old oil and new oil and a different pricing level for those two commodities. I challenge anybody, including the Minister of Revenue, to tell me the difference between old oil and new oil. Nevertheless, it got into a very complicated and regulated system, where different prices were blended together for the same commodity, depending on the time at which the drill actually struck the reserve of oil.

The current government of Canada in its wisdom moved towards deregulating that system, towards getting rid of this blended pricing system, towards getting rid of intervention and away from what was known as a revenue-based tax system to one based simply on profit. The company goes out, drills for oil, finds that oil, refines it, sells it, makes a profit and pays its



taxes. Those profits can then be reinvested at the discretion of the company.

It has the skill and ability to make those decisions, which can be based on some fundamental economic criteria, not on some airy-fairy dream that Jean Chrétien and some of his predecessors as ministers of Energy, Mines and Resources had that we would be drilling all over the Mackenzie Delta and would have huge oil finds, which would be transported by pipeline into the hungry markets of eastern Canada. Now those decisions will be made on the basis of dollars and cents and what makes good economic common sense.

We come to a point where now the price for crude oil in Ontario is set on the basis of the world market, with a few aberrations as a result of pipeline regulation, provincial government intervention in the taxing structure, federal taxes and a few other things. There are still a few modest interventions there, but for the most part the price of crude oil, and therefore it follows the price of gasoline, is set based on the world oil price.

What does that mean? What is the world oil price? Is it the price the commodity brings on the open market, on the free market? No, that is not true. It is not the price the commodity brings on the world market. It is a price that is established by a cartel, a cartel known as OPEC—the Organization of Petroleum Exporting Countries.

There is no free enterprise system at work here; it is a cartel. It is a group of the big boys getting together, sitting down in a hotel in London and deciding what they are going to charge the rest of the world for the commodity they own.

It is a pretty loosely knit organization. They are all petroleum exporters and they include some rather well-knit, well-governed nations, such as Great Britain and Saudi Arabia. Then we move off into the more loosely knit groups such as Syria, Iran and Iraq. Many of these nations are represented by very unstable governments. Some are even at war, but all of them have a desperate need for currency to meet their obligations, to develop the infrastructure in their own countries to which they committed themselves and to pay back some of the loans they made when the world oil price was spiralling.

All of them have a desperate need for cash. They are, therefore, compelled to keep the oil flowing, the dollars flowing. It is a very compelling thing and that is the problem OPEC faces today. As this learned individual, Mr. Verleger pointed out, as the value of the United States dollar starts to fall, their need for dollars

becomes more compelling. We all have heard and read about the efforts of the king of OPEC, so to speak, if I can use that term rather loosely—

**The Deputy Speaker:** I must ask the member if this will come back dead on the Gasoline Tax Act.

**Mr. Andrewes:** The whole substance of this is to set the scenario for the gas tax. As I pointed out to you, sir, the world price for oil dictates what the price for gasoline will be and to some degree, therefore, dictates what the Treasurer will do with this piece of legislation.

Let me tell you, Mr. Speaker, about the work of Sheikh Ahmed Zuki Yamani, a great man. What the good Sheikh Ahmed Zuki Yamani has done over the years is to try to keep the lid on things in this little group called OPEC. He has tried very hard. He has set a rather good example by cutting back production within Saudi Arabia, within his own country; where he is, I suppose, the counterpart to the Minister of Energy (Mr. Kerrio). He has tried to keep the lid on this cartel.

**3:50 p.m.**

He has tried to keep control of the OPEC pricing system by controlling its output and its production. He said to his counterparts, the oil ministers from Sudan, Syria and Great Britain: "Let us leave this product in the ground. Let us short the market; because when we short the market the price goes up. We can take this stuff out of the ground 20, 30, 40 or 50 years from now. We do not have to take it all out this year or next year. We can hold back our supply, watch the price gradually rise and reap the benefits."

He said to those ministers: "Go back and tell your treasurers that they had better be very careful with their expenditures. Perhaps they do not want to pay back some of those loans and perhaps they want to hold back on some of their obligations until such time as they can spread out some of the costs. In the meantime, it will be to our eventual advantage all around if we keep some of the oil in the ground."

That is a basic principle of supply and demand. However, the cartel is weak and fractious, to say the least. It is very fragile and likely will not hold. Our view, supported by these noted experts, is that the world oil price will fall because the OPEC cartel will fall apart, and that is a benefit.

**Mr. McClellan:** This is silly.

**Mr. Andrewes:** The House leader for the New Democratic Party interjects and suggests it is silly. I have sat in this House for four and a half

years now and I have listened to silliness for four and a half years, so he can listen to a little more.

The point I am coming to with respect to this history of OPEC and world oil prices is that, in dismantling the national energy policy the current federal government has provided us with an opportunity to take advantage of falling world oil prices. In spite of the rhetoric we heard the Liberal Party offer us during the last provincial election campaign, when it said the federal government was threatening our very existence by new taxes on fuel—no doubt you remember some of those comments, Mr. Speaker—there is now an opportunity in this country to take advantage of that deregulation.

It is our contention that those advantages must be passed on to the consumers of this province. That is all we are asking. We are simply saying that if those prices fall and if gasoline prices fall, the dollars should go back into the pockets of the consumers of this province.

There is one more issue I wish to touch on, and that is the whole question of the continued east-west debate on energy prices that has been going on in this country for many years. On the one hand we have the eastern consuming provinces, with Ontario and Quebec as the predominant ones, and on the other side of the table we have the western producing provinces of Alberta, Saskatchewan and British Columbia. Perhaps there will be some new players as the far northern reserves come on stream. At the centre of the table we have the referee, the government of Canada. The problem is that the referee sits there with two clubs, able to beat either party over the head at the slightest provocation.

That great debate between east and west raged on in the 1970s. Ontario consumers argued on behalf of their industrial activity and the whole economy of the province. Alberta producers argued for their future, and they were as protective of that future as we would expect them to be. However, this past weekend I noted that at that great Halifax conference much of the rhetoric that was an ingredient of the energy debates of the 1970s was missing; much of the acrimony of past conferences was set aside. Perhaps it was due, in some respect, to some new players around that table bringing with them some new attitudes.

I would like to think one of the reasons that rhetoric was not present, one of the reasons that conference was as successful as it was, was that at the head of the table the government of Canada was represented by a Prime Minister who had put away his heavy clubs. He put them under the

table and said: "Look, provincial Premiers, we have issues here we need to talk about. We have issues we need to decide constructively."

That was not the case when dealing with natural gas pricing among Ottawa, Alberta and Ontario. The Minister of Energy for Ontario said he was ignored. He was not offered a place at the table. He was not invited to the party. They simply ignored him and said: "It is none of your business. You just buy all this stuff. You cannot participate in this debate."

He gave us a statement in the Legislature saying, "By golly, gas prices in Ontario should fall by a dollar." We heard fire and brimstone from that minister. We had the Premier claiming those money-hungry Druids in western Canada were going to sell gas to the United States at the expense of Ontario's economy. That rhetoric did nothing. It will do nothing towards any kind of national economic future.

Now that western Canada is able to sell its resource to the rest of Canada at the international or world price I talked about earlier the stigma is removed, the straw man is off the table. The whole question of blended prices and Canadian resources being sold to Canadians at something less than their true market value is no longer a point of debate in that energy dispute or in any other national forum. The gut issue of oil pricing can now be dealt with and meaningful discussions can proceed on this and other issues of national concern. These kinds of discussions can proceed as constructively and as hopefully as they did in Halifax this past week.

That is not going to happen because this Minister of Revenue, this Treasurer, has further aggravated that debate by increasing gasoline taxes. He has taken away the credibility that needs to be developed for his Minister of Energy and for his Premier as they go about and participate in these discussions. He has taken away their credibility. He has stripped it away from them simply for the sake of what? For the sake of half a cent per litre.

#### 4 p.m.

I am delighted he has removed that stigma now. Perhaps that will restore some credibility, because he will find that when western Canadians participate in that energy debate they view that provincial gasoline tax as an obstacle to constructive energy discussions. Let me tell the Treasurer what their response is when one suggests that energy prices are too high in Ontario, that they are too high in comparison to neighbouring jurisdictions, that our industrial and commercial users of fuel products have to



pay more for them and therefore are not competitive with their neighbours across the border or in other provinces. If the Treasurer suggests that to a western political leader he will say: "You have the power to do something about it. You have a gasoline tax. Take a little less, my friend, and you will see that it goes a lot further." That will be the response when this government wants to debate the gut issues of energy pricing.

Those prices are now market-related. There is no blending, no holding of those prices at lower than the world level. Therefore, I plead with this minister to consider answering that other argument about gasoline tax by simply saying: "Yes, we have in place a taxing system that respects falling prices. If you in western Canada have to take a little less, we are going to take a little less as a government. We are not greedy. We are not gouging. We are going to get this red herring of provincial gasoline tax, provincial fuel tax, off the table once and for all."

I know there are probably short-term blips in that cycle, but I am sure my other colleagues will want to address that. Let us get those red herrings off the table once and for all. Let us say: "When the prices fall we are not going to take advantage of consumers by still grabbing whatever we can away from them with the gasoline tax. When those prices fall we are going to respect those savings."

That is my contention. It might lead to an effective resolution of some of those national debates in which we are constantly engaged.

**Mr. Foulds:** I rise on second reading of this bill in some state of breathlessness, as I am sure the Treasurer is too.

First, with the Treasurer's announcement about his reduction of this tax, his conversion on the road to Armstrong, Attawapiskat and other northerly places in this province, we are prepared to support the bill on second reading so we can get to the clause-by-clause debate in which the Treasurer will introduce his amendment, which in effect carries out the tax freeze agreed to by the Liberal and New Democratic parties last spring.

I want to say very clearly that we were the first party to state publicly and openly in this Legislature, and in the corridors just outside, that we would be opposing the gasoline tax. We did not take a lot of time to make up our minds. We did not play a lot of games about that. We came out the day of the budget, right up front, indicating this tax was unacceptable to us in its original form.

It was unacceptable for a number of reasons. The first was that it was an increase in taxation. It

was discriminatory, particularly against northern Ontario, where people, for reasons of which we are all well aware but of which I will remind us all, must use their cars more frequently over longer distances and therefore pay both more base price in gasoline and more in taxation.

Since that time, more than a month ago now when the Treasurer introduced his budget, there have been both questions in this Legislature and statements in the public domain indicating we would oppose the increase to 8.8 cents per litre. Now that the Treasurer has retreated, we find his retreat honourable and acceptable, and therefore, when the clause-by-clause debate comes up, we will support the figure of 8.3 cents.

I believe the people of Ontario have won a major victory on this bill at this time. The proposed amendment by the Treasurer will save Ontario motorists more than \$60 million a year. As I have indicated, that is of particular benefit to residents of northern Ontario.

The second thing is that the proposed amendment will freeze the amount of gasoline tax currently collected. Most especially, the tax abolishes the existing *ad valorem* tax.

I want to talk for a few moments about the *ad valorem* tax. We have had the opportunity to debate that principle previously. The Conservative Party has debated the principle *ad nauseam*, twisting the nature of the argument and the definition quite considerably. The Tories' argument at present appears to be that it would be better to leave the *ad valorem* tax on. In other words, they appear to be still in favour of the *ad valorem* tax, which they implemented.

Let us indicate very clearly that when the *ad valorem* tax was introduced it was not introduced to benefit the consumer; it was introduced to benefit the public Treasury of Ontario as it was administered by the then Progressive Conservative government. It was introduced by the Progressive Conservative government of those days because they did not want to have the inconvenience of coming back to the Legislature with a new tax every year when they had to raise it. When they introduced the *ad valorem* tax they expected the tax and the base prices of gasoline and crude oil to rise continuously.

At present, they are using the argument that it would benefit the consumer because prices are going to go down. They quote three experts in their press release of today. I believe the three experts they quote believe what they are saying, but I do not believe for a minute that even the Progressive Conservative Party, with the intelligence it has at its disposal—

**Mr. McClellan:** Used to have.

**Mr. Foulds:** My colleague the member for Bellwoods makes a good point: the intelligence that the Progressive Conservative Party used to have at its disposal—i.e., the civil service—and now does not have it at its disposal, which may explain the peculiarity of its positions on this matter.

I cannot believe that the Progressive Conservative Party, with the rest of the intelligence it used to have, actually believes gasoline and oil prices will continue to go down. I cannot believe for a minute they believe gasoline prices will plummet in the 1990s.

Even as one reads the fine print of their release, they indicate today—and we listen carefully; for my sins as Treasury critic for my party I must listen carefully to the statements of their spokesmen on this matter—that after a couple of years oil and gasoline prices will rise again, and if we left the ad valorem tax on, the tax would continue to rise.

**Mr. Stevenson:** We froze it.

**Mr. Foulds:** They are in favour of that. Let it be clearly identified that the member for Durham-York (Mr. Stevenson) indicated clearly that they understand the base price will continue to rise, they will be in favour of the ad valorem tax and they will be in favour of nicking the consumer at that time without consultation with this Legislature.

4:10 p.m.

**Mr. Stevenson:** Mr. Speaker, on a point of order—

**Mr. Foulds:** I am not yielding the floor.

**The Acting Speaker (Mr. Morin):** Order.

**Mr. Stevenson:** Mr. Speaker, the member for Port Arthur totally misrepresented my words. He mentioned that in a couple of years gasoline prices will possibly go up. I nodded to that extent, but any of his comments about the ad valorem tax totally misrepresent anything I or my party stand for.

**The Acting Speaker:** That is not a point of order. The member will please continue.

**Mr. Foulds:** Mr. Speaker, I appreciate the ruling you made in this matter, clearly pointing out that it was not a point of order. Because I am not restrained by the objectivity of your office, I will go further and say that it is not only not a point of order but also is not even a point of interest.

**The Acting Speaker:** Please come back to the topic and discuss the budget.

**Mr. Foulds:** I cannot discuss the budget; I must discuss this bill.

**Mr. Gillies:** While misrepresenting all the facts.

**Mr. Foulds:** Mr. Speaker, I ask you to ask the member for Brantford to withdraw that interjection.

**Mr. Gillies:** In withdrawing, of course what I meant to say was that the member was inadvertently misleading the House. The ad valorem tax was frozen and could not go up, regardless of price.

**The Acting Speaker:** I did not hear the comment from the member. I can refer to Hansard and come back and give a ruling.

**Mr. Gillies:** I withdraw it. He was inadvertently misleading the House.

**Mr. Foulds:** If anyone is inadvertently misleading the House it is not the spokespeople for this party. It is the spokespeople for the Progressive Conservative Party who have tried to be on all sides of all issues and do not know where they are when it comes to budgetary bills. They have argued about fiscal responsibility; then they have argued about and are going to vote against every tax bill we have had, including this one with the Treasurer's reduction.

I find it strange that after 42 years of inaction the Progressive Conservative Party, as an opposition party, now finds itself in a mode of obstruction when it comes to budget bills and will deliberately delay the passage of legislation, even legislation it used to introduce itself.

I was appalled and astounded last night when they told us they had not been able to determine their position on the Loan Act, a routine bill they introduced annually on the introduction of every budget. I found it not only passing strange but also unbelievable that after 42 years in office and 42 days in opposition they could not come to a decision about a simple piece of legislation they introduced annually.

I have been diverted and I will return to the substance of the gasoline tax.

**Mr. Mackenzie:** They do not have anyone to tell them now.

**Mr. Foulds:** My colleague the member for Hamilton East rightly points out they do not have anyone to tell them how they should vote on these matters. They actually have to read the legislation, find out what it does and then discuss it and make a decision about it.

I find the obstructionism with which the Progressive Conservative Party, the official opposition, is approaching these budget bills to



be somewhat destructive and distressing. I have no objection whatsoever to the stands they take, because I know they are falling on their own swords all over the province with every stand they take. However, I do find it strange that they would obstruct the business of the House and of the public generally in this province.

I want to get back to this bill briefly. We opposed the first proposal of the Treasurer on this matter because of two things. We felt it was important that the Liberal Party as a government live up to the promises it made during the course of the election and to the promise it made to the public of Ontario as a result of the agreement with this party in the spring. That was a public document, a public agreement, and it was in the finest democratic traditions of both this province and the British parliamentary system.

It is no shame and no dishonour to retreat on a tax bill; there is no fiddling with the hoary tradition of precedents and confidence. As we all well remember, a former Progressive Conservative Treasurer found it necessary to retreat on the instruction of his Premier on a tax matter. That was a bill for a horrendous increase of 37 or 38 per cent in Ontario health insurance plan premiums, introduced by a former Treasurer, the Honourable Darcy McKeough.

**Mr. McClellan:** Shameful.

**Mr. Foulds:** It was a shameful and discriminatory tax. After a lot of outrage in the province and speeches in the Legislature, reflecting the efforts of both opposition parties, the Treasurer retreated on that taxation matter. There was no question at that time from the Progressive Conservative Party that this was a matter of confidence and that the British parliamentary tradition somehow had been shattered and smashed to smithereens. It was in the finest Tory tradition of manipulation and retreat, as had been done often in the past. When it suited their purpose, they found that to be perfectly in line with the British parliamentary tradition.

The outcome of this piece of legislation indicates not only that the New Democratic Party can vote against unacceptable legislation but also that it has the intestinal fortitude, the intellectual arguments and virtue on its side to persuade the government to withdraw unacceptable legislation. What is even more important, in one small way, since it refers to only one tax—I admit that fully—we have been able to take a minor step towards a fairer system of taxation.

It is our party's objective in debating all these budget bills, and our overall objective as a party in this province, to introduce a fairer taxation

system for the people of this province. We believe, as the profound centre of our being as a party, that the present taxation system is skewed towards those with the louder voices, those who earn more than most people from one source or another. The major burden of taxation in this province still is on the average taxpayer, who earns somewhere between \$8,000 and \$35,000 or \$40,000 a year. Neither the previous administration nor the present one in this budget has taken steps to redress that injustice. It is with some sense of satisfaction that in this one small way, on this one bill, we have been able to reduce the taxes that would have been unfairly levied against the average motorist in northern Ontario and all over the province and against the average family of this province.

**4:20 p.m.**

I want to point out briefly that the Treasurer's announcement this afternoon, which confirms rumours that have been circulating for about two and a half weeks, compared with his original proposal, decreases the taxation on unleaded and premium gasoline, and there is a minor increase in taxation of leaded gasoline.

Frankly, we see that as an acceptable sawoff because of the environmental concerns we have in this party. In the long run, I believe we should be moving more and more towards unleaded gasoline and working more and more towards eradicating the kind of pollution we face from a lot of use of leaded gasoline.

Even my colleagues to the right will note that their colleague the federal Minister of the Environment has indicated that leaded gasoline should be eliminated, by 1992 I believe he said. They would therefore find the slight increase in taxation of leaded gas acceptable in these circumstances.

**Hon. Mr. Nixon:** It would be even more attractive in its former form.

**Mr. Foulds:** Certainly, but logic has never been the strong point of the speakers in the party to my right.

In conclusion, we will be supporting the bill on second reading only because the Treasurer has introduced amendments at this stage and has made the commitment that they will be brought forward in the clause-by-clause debate. We would not be voting for this legislation had it been in its original form and had the Treasurer not made the solemn commitment he made today in this Legislature to amend it.

There is no other way we can get the bill through, and through processing, unless it is voted affirmatively on second reading. From

what I understand of the speeches made by the members of the party to my right, they will be filibustering this bill into next week. The leader of their party indicated they will not come forward with their firm proposal and amendment until next week. I assume that means they will drag out the debate and I find that rather sad and unacceptable.

I wish they would have three or four forceful and succinct speakers put forward their arguments, as we are prepared to do, and then let us have the vote on the second reading. In the clause-by-clause debate, my party, the Treasurer and the Conservative Party will all be able to put forward our proposals. I would like to see that clause-by-clause debate take place as early as late this afternoon or this evening so that we can proceed expeditiously with logic, tough debate and good arguments on all sides. I would like to see us move forward in that manner.

**Mr. Stevenson:** I was pleased to hear the member for Port Arthur saying that the amendments proposed by the Treasurer are a minor step towards a fairer tax system. We will offer him an opportunity to support an amendment that will be a major step towards a fairer tax system. Many of our members in this party have some major concerns about this bill and I am sure a number of them will want to speak to those concerns as they relate to individuals, groups, industries and so on in their ridings.

Quite a bit has been said about the ad valorem tax and the concerns people had about it as prices and revenues rose. I remember a number of comments from the Treasurer and some of his colleagues saying the government at the time was living off the avails and it was very unfair that government should be profiting from inflation or its results. I think it has been stated many times that this party realized the difficulties in the ad valorem tax system and froze it at a price for gasoline that is essentially equivalent to the level the Treasurer has agreed to introduce in the amendment.

However, it does not stop there. As the critic for the Treasury has pointed out so well this afternoon, there is some pretty good evidence that, at least over the next few months, there is likely to be a decline in the price of gasoline. There seems to me to be no clear reason the consumers of this province should not have the opportunity to benefit from that decline, so we can actually see the fairness of a system where at least the tax is allowed to float within certain limits, as we will be putting forward.

If the price goes down, the frozen gasoline tax will have an impact in the future on a great many industries in this province. I want to address just a few of those.

In the tourism area, we have the impact on the travelling public, not only in automobiles but also in pleasure boats. When we travel around this province, we see the very high gasoline prices, particularly compared to those in the United States. There is no question that, as travellers come in from the United States, they take particular notice of the cost of gasoline here. For many of them, that affects the number of times they visit, the length of their stay and how far they travel when they are here.

When we get into areas such as northern Ontario, where tourism is such an important part of the economy and distances are so great, the effects are even more pronounced.

I think it is a great credit to the current federal government that it saw the devastating effect the policies of the federal Liberal government had. The national energy program and government controls were simply not working to the benefit of Canada. It trashed that national energy program and to a great degree deregulated the energy industry. I am sure that will have some significant impact on the Canadian economy and should benefit the consumers of Ontario.

**4:30 p.m.**

I mentioned the people travelling in cars, but I want to spend a moment on pleasure boating. In the riding of Durham-York, the Trent-Severn system goes through Lake Simcoe and also ties in to Lake Scugog. We are seeing an increase every year in the use of the Trent-Severn system. Quite frankly, it is getting to the point where on weekends the system has great difficulty handling the boat traffic that is going through that area. Some of them own these boats, others are renting them and taking family holidays for a week or so on a houseboat or some other rented boat. The cost of fuel for those people is a very major cost, and it is even more important in the actual cost of travelling when one is talking of pleasure power boating as compared to travelling in an automobile on land.

In a province where tourism is so important to our economy and, depending on to whom one talks, is the second or third most important sector of the economy and employs the—

Interjection.

**Mr. Stevenson:** I am glad the member for York Centre (Mr. Cousens) is so solidly supporting my point of view.



**Mr. Villeneuve:** I am glad his sneeze is solid. He could have blown you right across the room.

**Mr. Gillies:** He was just barking his approval.

**Mr. Stevenson:** In some ways I wish he was not quite so much behind me, maybe a little more off to the side.

I believe I was talking about the importance of tourism, although I must admit I did lose my concentration there somewhat.

**Mr. Cousens:** It does not take much.

**Mr. Stevenson:** The member is right.

**Mr. Cousens:** It is such a good speech, carry on.

**Mr. Gillies:** Start again.

**Mr. Stevenson:** Maybe I should just start all over again right from the top?

**Mr. Gillies:** I would start again.

**Mr. Cousens:** It had to do with tourism.

**Mr. Stevenson:** Okay. I must admit I do not completely remember where I was, but anyway we were talking in general about boating and the significance of the tourism industry.

It is something we have to look at. If gasoline prices are going to be decreasing here they will most certainly be decreasing in the United States over a similar period of time. If we are not prepared to adjust the prices of fuel here in this province in line with those of our neighbouring states to the south, undoubtedly it is going to have some impact on the number of visitors we get in from the United States. Quite likely it will mean that some of our own people will take a serious look at travelling more into the United States rather than taking family holidays in Ontario or in other provinces here in Canada.

A price that is held artificially high because of government tax reasons can have a major impact here on the travelling public. As I say, it is very critical to the economy of this province and it is something I think the Treasurer must be very sensitive to if he wishes to keep tourism strong in this province.

I have some doubt as to the feelings this government has towards tourism. For example, in the last budget there was no mention of continuing the small marinas program which had been started by the previous government and was a very popular program.

As a matter of fact, I had a meeting with the York tourism people last Wednesday. There are six marinas on the south shore of Lake Simcoe that are planning to do work this winter in their off-season, and some of the work has to be done on the ice. They were planning to put in retaining

walls to reduce the erosion of the banks in the marinas, putting in improved pump-out facilities for boats and so on, all the things that are necessary for a marina that is going to be favourable to the environment and minimize risks to the environment.

But the work necessary to do this is not of the type that necessarily increases revenue to the marina; hence, although that program was very popular, yet it has been stopped by the present government. This is another indication of its insensitivity to the tourism industry, which is so critical to the riding of Durham-York and to the economy of Ontario.

When the Treasurer sees our proposal to alter the gasoline tax system, I think he will be quite pleased with the variable tax, which is capped at 8.3 cents per litre; and as the previous speaker, the member for Lincoln (Mr. Andrewes), suggested, the tax ratchets down as the price per litre of gasoline goes down.

I also want to mention very briefly the impacts on the agriculture industry. As the Treasurer will well know, all commodity groups in agriculture are under quite significant financial stress right now, and some are under extreme financial stress. Transportation is a very real cost in getting products to and from the farms in Ontario. In north central and northern Ontario, where distances from the producing areas to the markets are considerably greater, the costs of transportation are further increased.

I look at the situation of our beef and pork producers. Many of the smaller trucks that haul the livestock to and from farms are still gasoline powered. The pickup truck is a very vital piece of equipment on farms in Ontario, and most are gasoline powered. In just about anything the farmer tries to do, he is paying gasoline tax for his road vehicles.

In my own farming operation, we use a greater amount of fuel to run our road vehicles than we do in planting, harvesting and tilling all the farm property we run. We operate about 550 acres and it never ceases to astound me that we use more road fuel than tillage and harvesting fuel on that farm.

Anything the Treasurer can do to reduce the input costs to the farms in Ontario would be most favourably received by the producers. In situations where they are not getting a fair shake from the marketplace, it is important that the Treasurer do what he can to reduce those input costs.

**4:40 p.m.**

In a riding such as mine, which is located just a few miles north of Oshawa in the general Metro

Toronto area, a great many of the residents who live in the riding of Durham-York commute to work. Their cost of transportation is a major component of their family budget. I repeat to the Treasurer that the commuters of Ontario paid an increasing tax on gasoline while gasoline prices were going up. It seems only fair that they should now have the opportunity to benefit from reduced taxes because gasoline price may well go down, at least for a while. I do not think any of us are suffering from any great illusion that gasoline prices will be down for a long time during the next decade or two.

The bill we are talking about relates to the budget. While we are discussing the bill, we have to look at the time scale that may well be in place while this bill is in force. We think the views we are putting forward are very realistic about the situation in gasoline pricing that is likely to exist during the next several months.

For many of the industries in the province, transportation is a major cost of doing business in a country as large as Canada, with a population concentration that in many areas is within 100 miles of the American border as one goes across the country. Transportation is absolutely vital to a successful Canada. As I stated earlier, in the cost of doing business transportation is a major input and the cost expands as one goes into the less populated parts of the province, particularly northern Ontario.

The Treasurer will have to keep in mind the impact on the economy. As he states, the economy is likely to slow down during the next year. His budget did nothing to improve that situation. While we are talking about the area of industry, I think it is very important we look at the situation of the 1984 budget that the former Treasurer, the member for St. Andrew-St. Patrick (Mr. Grossman), brought in, and compare it with the current budget. In the 1984 budget no tax increases whatsoever were brought in. At the same time the deficit was reduced substantially, as I recall by close to \$1 billion.

Now we have a situation where we have a grab for \$700 million that will come out of the pockets of the people of Ontario. It will go to what seem to be very few worthwhile new programs put forward by the government. In addition, there is a \$500-million increase in the deficit. We have to stand back and ask for what reason? The lack of imagination that was apparent throughout the budget is also apparent in this bill.

I know the Treasurer likes to comment on the ideas and the local culture he picks up in Earl's garage. The same sort of valuable advice comes

to me when I go to the Leaskdale garage or Vallentyne Auto Service and Supply. There is someone at those establishments on a regular basis who is quite willing to give us advice and his views on government policy, on the economy and on how he sees things going in his sphere of business or activities in his community.

Certainly, these people put their ideas forward in a very sincere way. Their jobs are very closely related to the economic health of this province. When they speak, one knows they are speaking right from the gut. There is no feeling among them that the present direction of this government is improving their lot in life by any stretch of the imagination. Their feeling in general is that we are getting back to the economic policies of the Trudeau era. They are very concerned about what they see coming out of the first budget of the current administration here in Ontario.

The advice of these people has been very valuable in their area of interest, but I doubt very much that it takes the place of the advice that had been coming from the Ontario Economic Council. There is room for the inputs of people in all walks of life and in all locations of the province. It has certainly been my practice to listen to everyone and it will be a significant loss to me not to have the input of the Ontario Economic Council and its views on economic issues that relate to Ontario.

I know a number of members want to have the opportunity to speak. I could go on at considerable length on this bill as it relates to many other aspects of life in the riding of Durham-York and to the economy of Ontario. I know I will have further opportunities to expand on my ideas and on the views of the people I represent, so for today I will cease there on the discussion of the negative aspects of this bill.

I would certainly invite all members of the Legislature to join us in supporting the amendment that will be coming forward. It is an imaginative way of dealing with the tax on gasoline as the price changes in the future, and it would be a very fair way of assisting the farmers, the industry and the commuters of Ontario.

**Mr. Warner:** The democratic system lives, and is that not a little painful to the Conservative members sitting over here? Is it not a horrible thing to have thrust upon them? The democratic system is alive and well.

Some of the members either do not know or refuse to acknowledge—

**Mr. Cousens:** On a point of order, Mr. Speaker: This member has stood up and has been



on his feet waxing eloquent about nothing. Would he speak to the bill?

**Mr. Speaker:** I suppose that is a good question to the Speaker. However, the member has been on his feet for only 14 seconds, so will he continue?

4:50 p.m.

**Mr. Warner:** Thank you, Mr. Speaker. It is unfortunate the member does not like to talk about the democratic system, but I do like to talk about the democratic system, and this bill fits into that. Perhaps the member either has selective amnesia or just has not paid attention.

The fact remains that it was the former Conservative government that brought in a principle which is abhorrent to anyone who believes in the democratic system. That is the concept of ad valorem taxes. Is it not nice to raise taxes without coming to the Legislature?

In their typical, arrogant fashion, the Conservatives, when in power, saw fit to bring in taxation without having to come to the House.

**Mr. Runciman:** At least we have principles.

**Mr. Mackenzie:** What principles?

**Mr. Wiseman:** You sold your soul.

**Mr. Speaker:** Order.

**Mr. Warner:** Mr. Speaker, I am pleased to know that at least I have woken them up.

**Mr. Speaker:** I am listening.

**Mr. Warner:** I know you are. Mr. Speaker, you will recall that before you were the Speaker and were one of the lowly members as I am in this chamber, when the Tories brought in their tax on the Ontario health insurance plan without legislation, there was a great howl from the members at that time, members who believed in the democratic system.

This offended the principle that one does not have taxation without legislation. It is a principle that has held very strongly through several hundred years of parliamentary history, a principle which should not be offended against by any party in this House. However, that did not deter the government of the day.

**Mr. Wiseman:** Tell us how much you are going to pay under the new tax. Tell us the good points about this bill.

**Mr. Warner:** If the member for Lanark wishes to participate I assume he will patiently wait his turn and try not to fall asleep.

**Mr. Wiseman:** Just tell us. I am not falling asleep; I am listening to what the member is saying.

**Mr. Warner:** Are you? Good. The member for Lanark is listening. There is a first.

**Mr. Wiseman:** Come on, tell us the good things. Are there any good things?

**Mr. Speaker:** Order.

**Mr. Warner:** Mr. Speaker, you will recall, even if the Tory members do not wish to recall or wish to think about it, that a very sound principle of the democratic system of government, which we have inherited through the British parliamentary system, is that a government does not levy taxes upon the people without legislation.

It is a principle the Tories decided to abandon; first, when they introduced the OHIP premium increase, a tax increase without legislation; and further, when they decided through their massive majority, following 1981, to bring in an ad valorem tax. They believed taxes can escalate without any voice in parliament. It is a principle to which I certainly take exception and to which I think any democratically minded person does.

That did not stop the Tories, mind you. It was just too much trouble to have it debated, because if one debates it then maybe the public will get upset and will lend its voice. Heaven prevent that it should go out, to committee and the public could have a chance at the bill; so let us have the ad valorem concept.

Thank goodness we are going to get rid of that. I understand the Tories, being true to form, are saying: "No, we want the ad valorem system. We like the idea of taxing people without bringing a measure to the Legislature. We think is a wonderful idea." So the Tories will continue to take that position. Good luck to them, because I do not think the people of Ontario accept that principle espoused by the Tories.

It is a victory for the system. It is also a victory for minority government. While the Tories today appear to be engaged in obstruction, I would remind them of their new leader's comments just last week that as leader he was committed to making minority government work. This is some example. It is his first opportunity and he is engaged in obstruction. They have decided to filibuster. They have decided they are going to drag this one out as long as they can. That is not much of a commitment to minority government.

It is, of course, a victory for the historic accord, the fact that two parties that are opposed on many measures can intelligently come to an agreement on common grounds. It is an important aspect and one which bothers the Tories. They do not like to make agreements with people; they like to have things their own way.

They are not having it this time; the people of Ontario will win out and they have lost.

The Tories have an intriguing proposal to amend this bill. If it ever gets into committee, if we get past the obstruction they are putting up, they wish to bring in some kind of sliding scale.

**Mr. Wiseman:** Let the people in your riding know the good things about this bill.

**Mr. Warner:** Is that right? They have a sliding scale they are going to introduce, based on the decrease in prices, on some kind of silly assumption that prices are going to plummet over the next long while and therefore there will be savings to the people of Ontario. This is really an absolutely fascinating proposal because one should realize that, as of today, on average, people in the United States are paying to the penny the same amount for their gasoline as we are in Ontario. Do members realize that?

Interjections.

**Mr. Warner:** We hear the howls of outrage from the now-awoken members in the back benches. I direct the attention—

Interjections.

**Mr. Speaker:** The member for Scarborough-Ellsmerre has the floor.

**Mr. Wiseman:** Since when did \$1.08 a gallon get cheaper? It is \$1.08 in Florida for unleaded.

**Mr. Warner:** If the member for Lanark would like to listen to the explanation, I will tell him exactly how to arrive at the figures. When we take into account the exchange rate, the conversion from litres to gallons and the conversion—

**Mr. Wiseman:** I just got back from there.

**Mr. Warner:** He does not want to hear the answer, so forget it.

**Mr. Wiseman:** Ask the Treasurer. He was in Florida. He knows the price of gas there.

**Mr. Warner:** The previous speaker, the member for Durham-York, acknowledged that prices were not likely to go down for a long time but rather just over the short haul. The Tories have a short-haul proposal, acknowledging that the cartel over here will decide if the prices will go back up, at which point their proposal to reinstitute ad valorem will mean an increase in taxes to the people of Ontario. This is hardly a progressive move for the Legislature, because if we accept this idea of a sliding scale downwards then since there is no lid put on it, we accept it when it goes back up.

This brings me to the point about the Canadian-American cartel. No one in this assembly, I take it, believes there is actually

competition out there in the petroleum industry. It does not happen, and we understand that.

**Mr. Wiseman:** What about the same prices?

**Mr. Warner:** That is right. According to the Tory theory about why they are going to vote against this bill, competition will ensure that the price will go down, and as it does then the people will save money.

5 p.m.

Do the members know what competition is? A little while back, when prices were lower than now, Shell announced it was going to increase its price. The moment it did that all the other petroleum dealers matched it and raised their prices. This is competition in reverse. What kind of a silly system is this? The Conservatives want us to believe that somehow competition will dictate that the prices will go down. What stuff and nonsense. If we were to accept the proposal, the prices would go up, taxes would go up and the Tories would once again have hammered the poor consumers in Ontario.

As much as it hurts the Conservatives to think that a democratic system can actually work and that one-party rule is no longer in place, it behooves all of us to support the principle of this bill. It does two things. First, it removes a concept that should be quite odious to all democratically minded people, the ad valorem concept. Second, it establishes a more reasonable level of taxation than we had previously, yielding a saving to the consumers of Ontario of an estimated \$60 million, which is not to be sneezed at, although we did actually hear a sneeze from the back row earlier.

**Mr. Wiseman:** Tell us how it is a saving.

**Mr. Warner:** It is a saving of \$60 million. If one had trouble with the arithmetic on the conversion, one will have trouble with this one.

In an effort to allow other members to participate and so I may have an opportunity to explain a little basic arithmetic to my friend the member for Lanark (Mr. Wiseman), I will conclude by stating that not only am I pleased to support the principle of the bill but also I urge the Tory caucus to abandon its plans to filibuster and cause a stoppage of the work of this Legislature and, instead, to attempt to co-operate with all of us so we can bring a measure of savings to the people of Ontario.

**Mr. Barlow:** I would like to take this opportunity to participate in and add a few words on the second reading debate on Bill 51. I want to begin by congratulating the Treasurer for suggesting he will move an amendment to the bill in



the committee of the whole stage, changing the flat tax rate from 8.8 cents to 8.3 cents. That is commendable. I think it also requires an amendment to the accord, but I do not know whether that has to be in writing or whether the accord will be debated in the House. I understand that has to take place, but that is part of the democratic system.

The whole matter of the tax on gasoline and on the other facilities that serve the motoring public of the province has an extremely exasperating effect on the public. The cost of transportation, not only for personal use of passenger vehicles but also for transportation of goods and services throughout the province, is an extremely high proportion of all the goods we purchase. It is certainly to be considered as an expense we should do everything we can to control so we can hold down the cost of many of the products we produce, not only those in the south but also those in the north. I know the people in the north will concur with that concern.

All the tax on the transportation industry is still hitting the travelling public, the motorists of this province. Throughout the budget paper we had read to us by the Treasurer a month or so ago now there were several increases that are going to hit each and every driver in the province. Registration fees on our cars are up by 12.5 per cent. Commercial vehicle fees are up by 12.5 per cent on the lighter vehicles and by 15 per cent on the heavier vehicles.

The drivers' licence fees are up by a whopping 40 per cent. I realize that part, if not all, of that 40 per cent is to pay for the pictures on the drivers' licences, to which none of us can object. It is a good concept and we all support that, but still it is an increase in fees. Diesel fuel, which we debated a week or so ago, is up by an extra 6.5 per cent.

**Mr. Gillies:** It is appalling.

**Mr. Barlow:** My friend the member for Brantford reminds me it is appalling.

At a time when all projections indicate there will be a decrease in the world price of petroleum over the next period, at a time when our amendment, which will be coming forth—

**Hon. Mr. Nixon:** It says here gasoline prices are expected to rise.

**Mr. Barlow:** I am glad the Treasurer pointed that out. I happen to have a copy of the magazine that all of us received. It was on my desk this morning.

**Hon. Mr. Nixon:** It says here, "New Gasoline Plan Will Raise Prices, Experts Forecast."

**Mr. Barlow:** This magazine is the Canadian Petroleum Association Review. It is volume IX, number 4, dated November 1985.

**Hon. Mr. Nixon:** I thought the Tories had a window on the oil industry.

**Mr. Barlow:** This government has fogged the window.

This is the publication of the Canadian Petroleum Association. In it the editor, Peter McKenzie-Brown, interviewed two petroleum economists with Cambridge Energy Research Associates—not Cambridge, Ontario, but Cambridge, Massachusetts; our research institute in Cambridge is much smaller than the one in Massachusetts—Dr. Daniel Yergin, who is president of CERA, and Dr. Joseph Stanislaw, the group's Paris-based director of international economics. I will briefly read from this.

The interviewer asked Dr. Stanislaw: "I understand that your background includes work with the International Energy Agency. Are you willing to venture a forecast on the near-term future of world oil prices?"

Dr. Stanislaw replied: "Well, basically they are going down. In an effort to help stabilize prices, Saudi Arabia was until quite recently the last holdout among the OPEC countries—the last to charge official prices. And now they're changing their course. The scheme they are now negotiating effectively lowers the price of oil by \$1 to \$1.50 to selective buyers. This move has effectively brought down world market prices. And there will be continuing downward price pressures for the next six to 18 months"—which is the period of time this budget covers—"with potential bottom weakness either in the next few weeks or in January or February."

The interviewer went on to ask: "Can you give us some kind of forecast of what the price might drop to? Will it stay in the \$24 to \$25 range?"

Dr. Stanislaw said: "Yes, right now the average internationally traded barrel is priced somewhere between \$26 to \$27. We see that price being ratcheted down by another \$1 or \$1.50 some time in the next six to nine months. We believe it will stay in the \$24 to \$26 range over the next few years. I would give it a low of \$22 but most likely \$24 to \$26."

**5:10 p.m.**

I am sure the Treasurer is anxious to hear that quotation from those expert oil industry research people.

The fact that oil prices are going down only reiterates the importance of the amendment to be proposed by this party in the course of debate in the committee of the whole House. I am sure the

Treasurer will want to consider it while he is considering his own amendment.

Normally, an increase in taxes should produce additional and increased services to the public, in this case the motoring public. However, in the budget that produced Bill 51, there is an actual decrease from last year of \$34 million in the budget of the Ministry of Transportation and Communications. The money that is poured back into the services of the motoring public has decreased.

In the same budget, there is a \$523-million transfer from the Treasury to local governments for municipal roads; that is up exactly \$15 million from the 1984-85 budget, which our leader brought in during his days as Treasurer. I repeat that \$523 million is in there for municipal roads. When the member for Dufferin-Simcoe (Mr. McCague) was the Minister of Transportation and Communications, he proposed an increased transfer of \$531.5 million for municipal roads. What has been proposed in this year's 1985-86 budget is an \$8.5-million decrease of what had been promised to municipalities.

It has been said that there is a \$60-million transfer in the budget to municipalities. I will quote directly from page 9 of the Treasurer's budget, under "Municipalities," where he refers to transfers to municipalities:

"The budget establishes a fund for municipal improvement. For the coming fiscal year"—that is not this fiscal year; it is the coming fiscal year, 1986-87—"this fund will have \$60 million for special road renovations and the transit capital program." It goes on to say, "Further details on the first year of this fund will be announced by the Minister of Transportation and Communications."

Municipalities are waiting anxiously to see what is going to happen to them in the way of transfer of payments in the year 1986-87. They know they are going to get \$8.5 million less for the 1985-86 year than what was promised to them by the previous government, but they are also waiting with bated breath to find out what is going to happen in the coming year. I commend the Treasurer for committing himself to announce in advance what the municipalities are going to get; that helps them with their budgetary planning, and I commend him for that.

I should bring out a few other points we have not discussed as yet. I had the opportunity of being in the Treasurer's riding last Friday night and discussing with some of the tobacco farmers the increase in taxes, the removal of ad valorem tax on tobacco and the bringing in of a flat rate on

the tobacco tax. Some of the farmers in his riding were not particularly happy with their member for proposing that after debating so strenuously in years gone by for fairer taxation for the tobacco farmers, but he is going to have to deal with that item himself. I am sorry; I cannot defend him in his own riding.

**Mr. Gillies:** We cannot do everything for him.

**Mr. Barlow:** No; but we are trying to be helpful to the Treasurer. We are just trying to pass along some helpful comments.

I have to plead with the Treasurer to consider the fate of the motoring public. The motorists of this province are hard hit when it comes to transportation costs. As he knows, we pay more in this country than they do in the good old United States of America. Some of us travel more extensively down in the United States than others. I have not taken my car into the United States for a couple of years now for any extensive travelling. Still, it is a bargain for those who live close to the border to cross over to the United States and buy their gasoline where they can get a much better deal and a fairer price on their gasoline purchases.

There are probably a few other things I should comment on, but other members of the assembly wish to take part in the debate.

What have I not covered yet?

**Mr. Gillies:** Perhaps the member should go over the major points again.

**Mr. Barlow:** Reiterate the major points? The Speaker might call me to order for that. I do not want to be accused of stalling, because I know everybody is extremely interested in hearing every side of this problem.

We want to protect the motorist and to help him in any way we can, and not only the motorist but also those who are buying goods and services. As we know, many trucking companies still use gasoline in their vehicles. Of course, a large majority of truckers are on diesel fuel, which has been hit quite hard, but there still are a few who are on gasoline. They are getting a break from this tax bill, but the bulk of the goods and services that we see delivered on our highways are transported by diesel-driven motor vehicles.

I will take this opportunity to bring my remarks to a close and pass the torch to the next speaker, who I am sure will also have a few enlightening remarks for our Treasurer.

**Mr. Pouliot:** Mr. Speaker, before I begin, I do not wish to tax your patience or your time, but as a novice I have noticed that good manners and decorum are not always the order of the day. I



know we do not have the capacity, even when the wine is rancid to cap the bottles. There has been nothing of substance regarding Bill 51.

**Mr. Barlow:** On a point of order, Mr. Speaker: Throughout my remarks I referred to Bill 51 at least three times.

**The Deputy Speaker:** That is not a point of order.

**Mr. Barlow:** I know; okay.

**5:20 p.m.**

**M. Pouliot:** Si je peux prendre peut-être une, deux ou trois minutes pour parler brièvement du projet de loi 51, qui est déposé en Chambre en deuxième lecture, j'aimerais débiter en disant que si, chez les gens du Sud de l'Ontario, le prix de la gasoline fait mal, eh bien, quand on arrive dans le Nord de l'Ontario, ça nous rend presque infirmes. Qu'on parle d'une augmentation, si minime soit-elle, chez nous ça fait plus mal que dans le Sud. Les raisons sont simples.

The riding of Lake Nipigon, which I have the pleasure and the honour of representing, is 114,000 square miles, fully 28 or 29 per cent of the overall area of Ontario. In fact, as I stand here addressing this House, we are closer to Miami, Florida, than some areas such as Big Trout Lake and Port Severn in the riding of Lake Nipigon.

When the Treasurer tabled the budget on October 24, the party with the social conscience analysed every proposal in the budget in detail. Bill by bill, we went along and we said, "Yes, we will be with you." Sure there was an attempt, but it was difficult at times.

One bill that comes to mind was the removal of sales tax for meals costing less than \$1. We had some problems. Nevertheless we went along until we reached Bill 51, the removal of the ad valorem tax for a substitution. Our understanding was that a substitution was not to come forth with an increase nor, for the benefit of the Treasurer, even a decrease. We were appalled and shocked. We petitioned the Treasurer of Ontario and we said: "Please, Bob, say it ain't so. Tell us that for a few dollars, a fistful of dollars, you will not generate those supplementary \$70 million or \$80 million."

Although we fully realize that his philosophy—and I am sorry, I do not wish to philosophize; the old parties have never adhered to a philosophy, but even as scavengers of the marketplace, if I may, those people on either side of the House have never intended to change the tax system that still lays favour or gives opportunity to the wealthiest and the more fortunate in our society.

The budget lacked imagination. It offered nothing innovative but it had that rare quality, by virtue or reason of not being innovative or imaginative, that it did not offend anyone.

In the spirit of generosity, realizing it was half a budget for half a year, our caucus, after consultation, rated it a C minus, a passing mark.

More specifically, when we talk about gas price increases, every sector of the northwestern Ontario economy is affected. There are people in this province, and I am referring specifically to first Canadians in some areas north of the 50th parallel, 85 to 90 per cent on some reserves, who have to exist and survive on social assistance.

While we claim to have a social conscience, to be our brother's keeper and to help the less fortunate in our society, while we preach those platitudes, because we do not have the political will to do anything about it, we ask them to pay \$4.50, \$5 and \$5.50 per gallon at the pumps, a social climb of the highest order if nothing less. When we do this, the monopolies and cartels in this society, the people who grab, grab, grab and refuse to put more—or anything, if they can get away with it—back into the system, leave us holding the bag.

We have seen no capital gains tax in lieu of the proposed substitution, the flat rate tax. We have seen no sales tax on mink coats, luxuries, big-ticket items. Instead, there was a veiled attempt to substitute the ad valorem tax by what was to be an increase.

The Treasurer of Ontario should be commended for having had the courage to say: "What is being done here, what is being proposed, is wrong. We as the Liberal Party of Ontario, being aware of and respecting the accord we have signed with our friends for the time being, the New Democrats, will rescind this injustice."

Provided time is not of the essence for our friends from the far right, when it is time to vote I will be pleased to support the endeavour and the amendment of the Treasurer.

**Mr. Villeneuve:** Bill 51 is a most interesting bill, particularly with some of the recent events. It was interesting to notice that the Treasurer had some sort of guilt complex and remorse of conscience this afternoon when he put his bicycle in reverse and backed up, so that now we are back to 8.3 cents per litre. It is interesting that he does not want the Ontario consumers to benefit from what surely will be a slowly reducing price for energy and fossil fuels.

I find it most interesting that the people on the third party are taking credit—

**Mr. Foulds:** In the third party, not on it.

**Mr. Villeneuve:** In the third party; I am sorry. Some of them are on the third party. The people who are the government are basically on the third party; they keep them under control.

I find it rather strange that these people are so vehemently opposed to an increase in the price of gasoline when last week there was no problem with increasing the price of diesel fuel by almost three cents a gallon. I have a little problem with that, particularly when they speak out of both sides of their cute little mouths.

In the great riding of Stormont, Dundas and Glengarry, there is a transporter known as GTL, Glengarry Transport Ltd.

**Mr. Callahan:** We have heard this before, have we not?

**Mr. Villeneuve:** No, the member has not heard this before.

Last week I spoke basically about our farmers in the great riding of S, D and G, about cold, beautiful milk being hauled and all the rest of it. I now go to a fairly large carrier of 5,000 units. Would the members believe what happens? It hires individual people who own tractors, people who are not wealthy, people who are a bit like you and I, Mr. Speaker. They are down-to-earth. They own tractors. They hitch on to big rigs and go driving down the road for so many cents a kilometre.

I find it strange that the crew to my left saw fit to have those people pay almost three cents more a gallon for fuel. That was quite all right and there was no problem. The crew to my left jumped right into the bedroom, not the bed, with the government and went along with that increase.

Gasoline is basically the same. Small businesses use diesel fuel as well as gasoline. However, with gasoline, all of a sudden there was a hue and cry from our friends on the left that a great problem has been created, and our friend the Treasurer decided to listen to them.

**5:30 p.m.**

Our friend the Treasurer has good ears and his adding machine works well, so he decided that to make it look good he would ride in the middle of the road. He will reduce it back to 8.3 cents, but he will reduce the sliding scale, the value added or the value reduced. We are now in a situation where we will be going to a value reduced, and our friends on the left do not want to give our Ontario consumers the benefit of that. So it is okay to raise the fuel tax and not to give the rest of our consumers the benefit of a value-reduced tax,

and I find that very strange from the people on the left.

**Mr. Foulds:** I never said that. His party has not proposed its amendment yet.

**Mr. Villeneuve:** The honourable member may have some trouble going against our amendment and he will find that most interesting.

In the great riding of Stormont, Dundas and Glengarry, among other things tourism is most important, and a reduction that is not allowed in the price of gasoline will inevitably hurt the tourist industry. We have a number of parks along the St. Lawrence River and Lake St. Francis. Americans come over here, and what do members think is behind their cars? They are right, it is a camping trailer. What happens when the price of gas is not allowed to go down, as it should? These are Americans and they come from basically all of the states in the United States.

I must tell members about a little experience I had not long ago. I had occasion to go in my own little compact car down to Ithica, New York. I went to the Cornell campus on business.

**Mr. Mancini:** What kind of car is it?

**Mr. Villeneuve:** It is a compact Chrysler product. It is Canadian made. I must tell members what amazed me most was when I stopped. The little fellow under the dash had told me, "Your fuel is low." I stopped and filled the fuel tank and it cost me \$13 American to fill that fuel tank.

**An hon. member:** Excuse me, was that 13 US dollars?

**Mr. Villeneuve:** Yes. I am sorry. I have difficulty with the threes, because my native language is French. I hope members understand that.

**Mr. Wildman:** That is 18 or 19 Canadian dollars.

**Mr. Villeneuve:** In Canadian dollars, when that little fellow under the dash says, "Your fuel is low," it takes \$22.50. That is quite a difference; almost \$10.

**Mr. Martel:** If we had not had ad valorem over the years we would not be where we are now.

**Mr. Villeneuve:** If we had ad valorem now we would have a reducing tax.

Interjections.

**The Deputy Speaker:** Order. Let the member have the floor, please.



**Mr. Villeneuve:** I go back to our very good friends who bring American dollars up into the great province of Ontario.

**Mr. Gillies:** I see the Minister of Tourism and Recreation (Mr. Eakins) is here.

**Mr. Villeneuve:** Yes, and I must tell him he puts out a very fine paper, a very fine annual report, and he has a very nice photograph of himself just inside the cover. I must compliment the minister on that.

I will get back to the subject at hand. I know Mr. Speaker is very particular that we must stay on the subject, and I am doing my best under some rather adverse conditions.

As members well know, when one is pulling a camper trailer, it may be the kind that does not fold up, folds halfway or right down to the ground, and it may also be a big Winnebago or whatever. However, our American friends stop and fill up with gasoline and it is, all of a sudden, \$10 to \$15 more per tankfull, and this government does not allow it to go down when a value-reduced tax should actually be bringing the price down.

Regardless of how many nice brochures the Minister of Tourism and Recreation puts out, when it hits these people in the hip pocket, right where their wallet is, they may find themselves a bridge to go back across that little body of water to the United States instead of spending some of those American dollars, which we greatly enjoy, up here in Ontario. That is a small item among many I want to touch on today.

Agriculture is something you, Mr. Speaker, are very familiar with, as is the Treasurer. Agriculture uses a considerable amount of gas. I am not speaking of the coloured diesel fuel or gas on which one gets a tax rebate by applying to the government. One has to use this gasoline in tractors which work farm land—unlicensed equipment. I am speaking of farm vehicles that are licensed as farm vehicles, such as a farm truck with a farm licence on it which allows the truck to haul produce to market, to purchase some of the supplies needed to operate the farm, take livestock to market, take corn to market, etc. These farm licensed vehicles do not receive a gasoline tax rebate. They are subject to full tax, the same as everyone else is.

I respectfully suggest to the Treasurer that if he meant the many things he said about assisting farmers while he was in opposition, he would have at least looked at the situation and said to the farming public, "If you have a farm vehicle, a truck with a farm licence, we will allow you to be rebated on the tax for gas that is burned in that

vehicle." Our Treasurer does at times speak with forked tongue.

**The Deputy Speaker:** That term should not be used in this House.

**Mr. Villeneuve:** It was a silver fork, like a silver spoon. If you take objection to that, I will withdraw the forked tongue.

**The Deputy Speaker:** Fine.

**Mr. Villeneuve:** At times he speaks with a silver spoon to those people who wish they had a silver spoon in their mouths.

If this Treasurer was honest and earnest about becoming a little more self-sufficient in the petroleum fuel we use here in Ontario—I touched on this before and I am going to repeat it because it is worth repeating. We have a grain industry, in particular a corn industry, in Ontario that is on the ropes and reeling very badly. It is my humble opinion that the production of alcohol gasoline and alcohol gasoline blends should be looked into in the immediate future. In eastern Ontario we have a number of grain elevators in a well-located spot.

**Mr. Mancini:** In the member's riding?

**Mr. Villeneuve:** It is not in my riding, my friend the member for Essex South (Mr. Mancini), but it is very close to my riding. It is being under-utilized.

**Mr. Haggerty:** How close?

**Mr. Villeneuve:** It is close enough that if redistribution goes right I could well have it. That is how close it is.

**Mr. Haggerty:** That is close.

**Mr. Villeneuve:** That is being honest.

**5:40 p.m.**

If this government was sincere about being self-sufficient to some degree in the production of fuel we could be producing—my friends on the left here mentioned today that we should be discontinuing the use of leaded gas—the octane, clean-burning alcohol, which could be added to regular gas. We would not need lead. We would be providing 10 per cent of our fuel requirements and also providing our octane requirements.

**Mr. Charlton:** The member for Sarnia (Mr. Brandt) will fight the member on that one.

**Mr. Villeneuve:** The member for Sarnia will have to accept whatever is economic. I do know that the federal government at this point is taking this very seriously.

There are a number of marinas along the entire southern limit of my riding. Marinas are very important not only to the boating public, but also as fuel suppliers to our watercraft. In that

particular area are the St. Lawrence River, Lake St. Lawrence and Lake St. Francis, and many boaters use that particular waterway. Boaters from the Montreal area go to Kingston; then they take the beautiful Rideau Canal up to Ottawa, go down along my friend's riding, along the Ottawa River, and back to Montreal. They do the triangle. Some of these cruisers take upwards of \$200 in petroleum every time they fill up.

This government does not allow the price to go down, as well it would if it left the ad valorem tax intact. It would certainly be a lot more conducive to these boaters' filling up in Ontario and doing the run, which they otherwise may decide not to do.

In closing, I go back to my friends on the left. Their inconsistency is difficult to accept, particularly when they say, "We can put up the price of diesel fuel, but we will not allow the price of gas to go down." I cannot understand that. Metric or otherwise, it does not make any sense.

This is basically what I wanted to touch on. I firmly believe the ad valorem should stay on. When the price of gasoline started to drop, then our consumers would benefit.

**Mr. Ramsay:** Bah, hooley! I have never heard a bigger pile of crap in my life than I just heard from that member over there.

**Mr. Speaker:** Order. Perhaps the honourable member would use a little better parliamentary language.

**Mr. Ramsay:** I am the Agriculture and Food critic. I will take that remark back and use the words "farm fertilizer" or "manure. I am just incensed that the tiny, perfect little Leader of the Opposition (Mr. Grossman) got up on his desk today and told us that gas was going to go down. What am I going to do? Am I going to go up north and tell my people: "Hey, I am wrong. I have sinned. I said we had to get off this ad valorem, but I was obviously wrong, because the Leader of the Opposition says the price of gas is going down. We had better just hold it the way it is here. Wait for it and these prices will come down in the north."

I am getting a little note here. Oh, this is an unparliamentary note I just got.

Anyway, is that what I have to tell them? Do I have to tell them: "Wait for it. We were wrong. With all those high prices you have been paying for so long, we said: 'Hey, enough is enough. We are going to freeze this. We have had enough in the north, because we use far more and consume far more than people do in the southern part of this province.'"

We wanted to have a price freeze. That was what we were determined to do. We did not want the price to go up any more. One way of doing that, with the power we had, was to freeze the tax and get rid of this ad valorem business.

It is the party to my right that decided to ride the escalating roller-coaster of price increases on gas. They decided that was the way to get a tax without going to the Legislature. They would just do it automatically, but we have decided that this is undemocratic. Not only that, we want a freeze. We do not want to have to pay any more, especially with the multiplier effect that when somebody else puts up the price the tax goes up.

We end up on this roller-coaster. It is like a big snowball going down the hill. They tell us it is going down, but I have not seen it go down anywhere. Where is it going down? I cannot go back and tell the people of Timiskaming, "We will just leave it the way it is, because it will go down and some day you will pay less." I want them not to pay any more today. That is it. We have had it.

If the price of gas starts to go down in the future, we are legislators, and that is what we are here for. We will look at the situation and we will say that possibly we have to tax this in another way. However, this is the situation we are looking at today. It is not going down, so what are we doing?

The party to my right wants to keep a tax on that is going to multiply. There is no point in doing that. Do they want the people to pay more for gasoline? I do not understand it. We cannot afford it where I come from, and that is what I am telling the people.

**Mr. Villeneuve:** That is why you put up the price of diesel, is it?

**Mr. Ramsay:** I want to address that situation, because the member thinks we are being hypocritical in that. Basically, what we are talking about here is a consumer product, a product that affects everybody on an everyday basis. His constituency is probably full of yuppies with their BMWs, and there is a lot of demand for diesel there. I know he is worried about them, I know he is concerned about them; but my people just buy gasoline. They need gasoline, and I do not want them to pay any more for it. I do not have a yuppie population. I have a yuppie wardrobe, but I do not have a yuppie population.

That is the difference. It is a consumer product, and we have got to keep it low. That is why we are here today and that is why we want to make sure the gas price is not increased any



more. I hope those fellows are right and that the price starts to go down. We will look at it at another time, but it is not doing that now. This is what we are concerned about.

We have to use gas just to warm up a car, let alone get anywhere; so we really are in a burden, a sort of a trap, with this thing. We have to go out early and start the darned thing. It is much harder on the car and it takes more fuel when we do start it. We leave it running to get the thing warmed up when it is 40 below. I know the Treasurer used to. He went up the hill in the Sault to school.

**Hon. Mr. Nixon:** That is right.

**Mr. Ramsay:** As I said before, we are on rubber today. We are in 1985 and we are on wheels and it costs us more up there in the north. We have to get the things going and keep them warmed up. As members know, the internal combustion engine is most efficient at 70 degrees Fahrenheit, but that is not usually the average temperature where I come from, especially in the winter months when it tends to be 40 below, Celsius and Fahrenheit.

**Mr. Villeneuve:** But they leave their diesels running all night.

**Mr. Ramsay:** That is right, but I do not keep my BMW running all night, so that does not bother me. It is a consumer product for the majority of our population and that is why the price has to stay the way it is. We are adamant about that, and there is no way I could stand up here representing the people of Timiskaming and say otherwise. That is why I speak in favour of this bill.

**Mr. Hennessy:** The tax on gasoline is very unjust for the residents of northwestern Ontario. As a resident of Thunder Bay in the riding of Fort William—

**Mr. Foulds:** Hear, hear.

**Mr. Hennessy:** Many people, including the member for Port Arthur, who just said, "Hear, hear," are going to suffer by paying more money for taxes on gasoline. We have to look at northwestern Ontario where the distances are quite a way if one wants to get down to the corner store. It is not like Toronto, Mississauga or some of these other places where there is a store within every footstep.

**Mr. Haggerty:** Port Arthur has them there.

**Mr. Hennessy:** Yes, but the member for Port Arthur is on the government side.

**Mr. Foulds:** A store on every corner.

5:50 p.m.

**Mr. Hennessy:** That is right. There are many farmers up our way who need a lot of gas to operate their vehicles, to go back and forth with their produce to the market, to go out on Sundays with their families and maybe use their car for other purposes as most people do. If one wants to go to Nipigon, that is 60 miles away from the city of Thunder Bay. To go on further, just to another town, it can be 25, 30, 40 or 50 miles. It is not like Toronto where, if one wants to go somewhere, there is no problem whatsoever.

There is a lot of trucking in northwestern Ontario and many people depend for their livelihoods on the produce and the products they transport from Thunder Bay to the United States, to Kenora or perhaps to Toronto. There is a great strain on their pocketbooks. If one operates a small company it is difficult to make ends meet. He may be kicked in the pants from one side and taxed from the other side. Problems arise such as trucks breaking down and things of that nature. There are a lot of problems.

There are people who use campers for recreational purposes and to take the family out, people who cannot afford to stay at a hotel. The camper is used for a cheap weekend or a holiday 40 or 50 miles away from Thunder Bay in one of the government parks. Campers are also used by people who go hunting or fishing for the weekend. Some people use campers all year around for their businesses. It becomes a little difficult for those people.

There are more cars per capita in Thunder Bay than there are in any other city in Canada, according to the report I received and the figures that are available. With the majority of the people in Thunder Bay using vehicles such as cars, campers, trailers or whatever they may be, a lot of people are going to be affected by raising the tax.

People use cars to go to work, for recreational purposes, to take their children to school and for things of that nature. They use their cars day in and day out, 365 days a year. That becomes very costly if they have to pay an extra token to the government of Ontario, perhaps to pay someone's salary or to take care of some expenses. I do not know what it is for.

School children are going to be affected. There are private organizations that operate two, three and sometimes 25, 30 or 40 school buses. The extra tax becomes a drain on the school boards. It gets back to the parents who are sending the children to school. Their taxes are a little higher when it is time to pay school taxes. All these things are a spinoff for people who are trying to

send their children to school and who are trying to keep their heads above water.

We have to realize that gasoline is a very important commodity in northwestern Ontario where cars are used so much. From Kenora to Thunder Bay is about 450 kilometres. If it costs more it makes vacation time a little more difficult for someone with a family. They have to go into their pockets and come up with the necessary funds to pay for it.

Some people do not use their cars on certain days. Here in Toronto, people are very fortunate because there is the Toronto Transit Commission if they do not want to use their cars. Getting from an area to downtown and back takes no time at all at a cost of about 95 cents there and 95 cents back. In northwestern Ontario, to go somewhere costs \$3 or \$4.

**Hon. Mr. Nixon:** We are not raising the tax.

**Mr. Hennessy:** I know, but the Treasurer is doing something. It is never raised, but when one reads the paper it has been raised.

**Hon. Mr. Nixon:** I wanted to but I could not.

**Mr. Hennessy:** I know the Treasurer too well. The only way he can prove it to me is to swear on the Bible. What he says does not mean a thing. He will have to put it in writing.

**Hon. Mr. Nixon:** Why do you not vote for this? At heart you are a Liberal.

**Mr. Hennessy:** I was a Liberal, but I saw they were not going anywhere.

**Mr. Breagh:** That is it. The accord is off. The deal is off.

**Mr. Hennessy:** There is no accord here. The Treasurer tried hard. He drank all the coffee in my house, but it was nevertheless a nice visit. I appreciated it very much.

**Hon. Mr. Nixon:** I felt right at home.

**Mr. Hennessy:** We treated him nicely, too—

**Hon. Mr. Nixon:** I would not say that.

**Mr. Hennessy:** —but he never sent us a pound of coffee.

**Mr. Speaker:** Bill 51 is under discussion.

**Mr. Hennessy:** Yes, it is under discussion.

In the long run, people cannot afford these increases in taxes we are bringing in from one side and another, from the left. They are taxing people to death. They keep on doing it, especially on the main ingredient of a car or motorcycle. I do not know whether anybody here could afford a motorcycle. Maybe the Minister of Northern Development and Mines (Mr. Fontaine) has one. I do not know. Hell's Angels.

It is far too costly. It may not seem much to a person as wealthy as some of the members on the other side, but to us poor people on this side it seems a lot of money. The minister can smile, but he is making it now and he is laughing.

**Hon. Mr. Kerrio:** I am enjoying your presentation.

**Mr. Hennessy:** He does not pay for his gas any more. That is lucky for him. The only gas there is from his mouth.

With all due respect, the people of northwestern Ontario are not being treated fairly. If one looks at it in all its aspects, it is expensive for a person who wants to buy a car, figuring the cost of the maintenance, tires, etc. The minister brought in another tax on the driver's licence and another one on the plates. All these things keep mounting up, and it makes it very difficult for a person on a fixed budget who has a car.

**Hon. Mr. Eakins:** It is like the tax on food. Why does the member not talk about the tax his party put on food?

**Mr. Hennessy:** Did the minister say on food?

**Mr. Speaker:** That is not in Bill 51.

**Mr. Hennessy:** That is all right. He could do with a good meal. If anybody needs it, that minister does.

**Mr. Speaker:** Order. Would the member address his remarks to the chair, please.

**Mr. Villeneuve:** What about the 89-cent meal?

**Mr. Hennessy:** Yes, that \$1 meal.

I am very concerned. The people in the northwest are greatly concerned about the taxation to be put on gasoline. Last week I mentioned the fuel tax. There are also many farmers concerned about that. They run tractors, and many truckers use diesel fuel travelling from northwestern Ontario to Toronto and other areas in the province. People going across Canada with trucks use diesel fuel. It is a great handicap for people of that nature, especially if they are dealing in large quantities and find it very difficult to keep to a budget. A great many people could go bankrupt and have to lay off people. It could probably cost jobs. What is the minister laughing at now?

**Hon. Mr. Nixon:** I am enjoying every minute of this.

**Mr. Grande:** The member is very paranoid.

**Mr. Hennessy:** I think so, but not about the member, I do not worry about him. It is the guys over there I worry about.



**Mr. Breough:** The member's former friends.

**Mr. Hennessy:** He is still my friend. He will never tell.

**Hon. Mr. Nixon:** Imagine the member going out to campaign as a Tory one week after I asked him to run as a Grit.

**Mr. Hennessy:** Now that is not true.

**Mr. Speaker:** Order.

**Mr. Hennessy:** I want to register a complaint. The Treasurer came to my house, drank all the

coffee and ate all the cakes and sandwiches and did not leave a tip. Then he had the nerve to ask me to run for the Liberals. How could I run for the Liberals if he was that cheap? And he is still cheap.

**Mr. Speaker:** I do not see how this has anything to do with the bill. The member may have some further remarks at eight o'clock.

The House recessed at 6 p.m.

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No. 59

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario

**First Session, 33rd Parliament**

Tuesday, December 3, 1985

Evening Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC



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# LEGISLATIVE ASSEMBLY OF ONTARIO

Tuesday, December 3, 1985

The House resumed at 8 p.m.

## GASOLINE TAX AMENDMENT ACT (continued)

Resuming the debate on the motion for second reading of Bill 51, An Act to amend the Gasoline Tax Act.

**Mr. Wildman:** It is a pleasure for me to rise to participate in this debate, particularly when one recognizes the victory that has been won by the New Democrats. It is a pleasure when one recognizes that the Legislature in a minority situation does have some power as opposed to what has been the case on occasion in majority government.

As a result of the position taken by members of the Legislature, particularly by the members on this side of the House, the motorists in this province are going to be paying far less than was originally planned when the Treasurer (Mr. Nixon) announced his budget.

**Hon. Mr. Nixon:** How are we going to sand the roads in Wawa?

**Mr. Wildman:** The minister is not going to sand the roads in Wawa?

**Hon. Mr. Nixon:** How can we? The member is taking away the sand.

**Mr. Wildman:** The minister has more grit than that.

We are very proud that we are saving \$60 million a year for Ontario motorists. The members to our right have been saying all day, "It is not any good if you drive a diesel." I listened attentively to the speeches made by the members of that caucus on the fuel tax.

It is interesting that most of the speeches made by the members of the Conservative Party on the fuel tax dealt with gasoline. They did not deal with fuel. A few members actually dealt with the fuel tax. Some talked about the problems truckers might face as a result of increases in fuel tax, but the majority talked about the tourists of this province as if they rode around in 18-wheelers to view Ontario.

They also talked about the problems facing farmers. Everyone realizes that farmers do drive some licensed vehicles which use diesel fuel and they do not get a rebate on fuel used by licensed

vehicles. They ignored the fact, however, that a significant amount of the fuel used by the farmers of this province is eligible for a tax rebate.

The members of the Conservative Party have been confused about the fuel tax as opposed to the gasoline tax. They have not understood which tax actually has a greater effect on the motoring public of this province or, for that matter, on the tourists who come to this province.

The proposed amendment announced by the Treasurer would in effect freeze the amount of gasoline tax paid by the consumers in this province. It has the admirable aspect of getting rid of the existing ad valorem tax, and this is of tremendous importance to us, to the members of the House generally and to the consumers of Ontario.

Those of us who support the democratic approach that the Legislative Assembly is elected to vote revenue to the crown so the crown can implement programs for the benefit of the people of this province believe that members of the Legislature should debate revenue-gathering measures and should vote on them.

It is a basic tenet of our democratic system that the people are represented by their elected members, who will debate tax-raising measures and approve or disapprove of the tax proposals made by the crown. My colleague the member for Scarborough-Ellesmere (Mr. Warner) has been able to demonstrate that this is a tenet that goes back to the Magna Carta and is basic to our society and to our democratic approach to government.

Unfortunately, during its last few years the previous administration seemed to lose sight of the fact that it was accountable to the people of this province through the Legislative Assembly. It seemed to think it was preferable to operate without reference to the Legislative Assembly, basically to govern by decree. I submit that this is one of the main reasons the party to my right is now on this side of the House as opposed to that side after 42 years.

The Conservatives lost sight of the fact that they were responsible to the people; so they came upon this innovation called an ad valorem tax. The advantage of an ad valorem tax for the government was that it no longer had to refer tax

increases to the Legislative Assembly; they were automatic every time the price of gasoline increased.

As a result, we had automatic increases in taxes. However, members of the general public did not realize this. They would read or see in the media that there was going to be an increase in tax related to regulation by the federal government perhaps, by world price or whatever. They would not realize that part of the increase in price was an automatic increase on the tax payable to the provincial government.

What was even more repugnant about this tax was that it was a tax on the total price, including other types of taxation to which gasoline was subject. In other words, it was a tax on other taxes. It put the taxpayer in double jeopardy, and I submit that it was a denial of basic democratic principles.

The Conservatives in this debate have made a lot of the fact that an ad valorem tax would go down if the total price of the product to which it was applied were to decrease. They have predicted that the price of gasoline will decrease and are saying that by removing the ad valorem tax the government and those members of the assembly who support that suggestion are denying the consumers of this province the possibility of a lower total price on gasoline and a lower tax.

First, it is important to look at the producing provinces, where they do not have ad valorem taxes, and to understand that the total price of gasoline in those jurisdictions is not less than it is in Ontario; it does not seem to make any difference with regard to an ad valorem tax.

In fact, it is interesting to note that the previous administration froze the ad valorem tax only when it began to perceive that there might be a total decrease in the price of gasoline. In other words, when they had the opportunity, according to their point of view, to allow the taxpayers a break, they froze the ad valorem tax and said: "Wait a minute. We do not want this to go down."

**8:10 p.m.**

I know it would be unparliamentary of me to suggest that the Conservatives in this debate are being hypocritical; so I will not suggest that. It does seem strange to me that they would make such a fuss today about an ad valorem tax being removed when they themselves are the authors of this odious tax and were in favour of it when it meant an increase in taxation.

To hear them speak today, one would think they favoured an ad valorem tax only if it meant a decrease in the price of gasoline; but in fact they

invented the ad valorem tax when they saw it as a chance to make a tax grab and rob the consumers of this province.

As I have said, it is unfortunate that we have been subjected to the kind of nonsense that has been propagated in this House by the members to my right, but I suppose they are attempting to grab at straws because they have been basically spectators on the sidelines in this debate.

The government proposed, as it is the responsibility of the government to propose, but in this case before the assembly could dispose, this party indicated it would not accept what the government was proposing, and therefore the government itself disposed of what it was proposing.

**Mr. Lane:** The member had better not get himself confused.

**Mr. Wildman:** My friend the member for Algoma-Manitoulin should recognize that it is the Tories who are confused. I would not suggest that he is confused.

I remember a recent debate in this House where the member for Algoma-Manitoulin, with my support and the support of many people in this House, suggested we should be doing something to bring about uniform gasoline prices across this province. He was not a member of the government at that time, but he was a member of the party that supported the government.

The then Conservative Minister of Energy participated in that debate. He got up and said he would not go along with the proposal for uniform gasoline prices across this province, which would have been a break to northerners. He was not prepared to initiate that kind of move, and he repudiated my friend's proposal. That in itself is an indication of the commitment the Conservative government had to protecting the consumers in this province.

It is unfortunate my friend's proposal was not accepted. I supported it, as did many members of this House, but he could not get his own government, the party in power, which he supported, to accept it.

The question of gasoline taxes and price is of particular importance to northerners. That is why the member for Algoma-Manitoulin initiated the move he did a few years ago concerning uniform gasoline prices. In northern Ontario, we pay a lot more for gasoline, with respect to taxes at least, because we use a lot more; we consume far more gasoline. That is related to a number of factors, such as the distances we drive and distances between communities and population centres. It is also related to the climate we have; we drive in



far more severe conditions and have much longer, colder winters.

**Hon. Mr. Nixon:** But it is dry.

**Mr. Wildman:** It is dry; yes, that is true, although last weekend we experienced some concerns about the dryness of the weather. I would not say the weather in the north is nearly as dry as the wit of the member opposite.

The cost of gasoline and the tax component of the gasoline price is of tremendous importance in northern Ontario.

This party was the first to oppose the Treasurer's proposal to increase gasoline taxes, and I do not think I am being unfair when I say I suspect it is because of the influence of northern members in our caucus. We just would not accept an increase in the tax on gasoline. We insisted that the government live up to the commitment it made in the spring, which was basically to freeze the gasoline tax.

It is true the commitment also included removal of the ad valorem tax, which we support for the reasons I have expressed, but to remove the ad valorem tax and then to increase the other tax on gasoline is not in the spirit of the commitments made by the Liberal Party when it acceded to power.

**Hon. Mr. Nixon:** It was to freeze the ad valorem.

**Mr. Wildman:** I am certain the Treasurer is not going back on what he said earlier today. I am sure he has agreed to remove the ad valorem and to freeze gasoline taxes.

**Hon. Mr. Nixon:** The member's party did not even want the ad valorem removed.

**Mr. Wildman:** It is important to recognize, since the Treasurer made his intervention, that the Liberals themselves have had some rather interesting things to say about gasoline taxes in this province in the past.

I am looking at Hansard for June 2, 1981, and the comments made by the now Premier (Mr. Peterson), then the Leader of the Opposition. He referred to gasoline taxes as a "raid on the consumer." He was referring to a specific tax measure by the Conservative government. He described it as doing nothing for oil or energy self-sufficiency.

The now Premier said: "If the Treasurer had come to this House to put that money in a separate self-sufficiency fund for Ontario, putting it into renewables or conservation or methanol or hydrogen or something a little bit creative, he might have had an attentive ear from this side of the House."

During the Treasurer's budget address, I did not hear anything about energy self-sufficiency, renewables, conservation or hydrogen, and frankly I heard very little creative.

**Hon. Mr. Nixon:** What about ethanol?

**Mr. Wildman:** Yes, that is true. Ethanol is mentioned in here. The member for London Centre (Mr. Peterson) at that time also said the gasoline tax was "inflationary." He said, "It will dampen consumption, rob disposable income and help to create a recession if that is in the cards this year."

I submit that the situation is exactly the same today as it was in 1981, that an increase in the tax on gasoline would dampen consumption, rob disposable income and help create a recession. For that reason, I find it hard to understand why the present Liberal administration would introduce an increase in the tax.

The Premier, when he was the Leader of the Opposition, went on to say, "If a new energy policy is to be credible, it simply cannot be used as an excuse to raise billions of new tax dollars for general government purposes."

If that is what the Treasurer meant a moment ago when he said, "Think hard for a reason to introduce a gasoline tax," I suspect the reason was to bring in new tax dollars for general government purposes. I remind the Treasurer that his leader said in 1981, in a debate on another gasoline tax, "Such an energy policy simply cannot be used as an excuse."

**Hon. Mr. Nixon:** That was a Tory policy.

**Mr. Wildman:** Tory or Liberal, it does not make a lot of difference to the person at the gasoline pump; it still means more money out of his pocket.

For the very reasons the now Premier stated in 1981, we would have voted against this bill if the government had not changed the gasoline tax, brought in the amendment and continued the freeze.

**8:20 p.m.**

While we support the freeze in the tax levels for gasoline to protect the consumers, the overall price of gasoline is such an important issue, for northerners in particular, that in this caucus we believe it is time to move forward. Now that we will pass a freeze on the gasoline tax, it is time for us to actually look at the question of gasoline pricing, which as I said was raised earlier by the member for Algoma-Manitoulin.

We must have a public inquiry into the price of gasoline and particularly into the differentials between northern and southern Ontario and

among the communities in the north. The price difference between urban and rural areas in the north is greater than the corresponding difference in the south, and greater than the difference between urban centres in the north and urban centres in the south.

There is something very odd about gasoline pricing in the north. For instance, the area I represent is mostly supplied by gasoline coming to Sault Ste. Marie and from it to all of the areas. However, for some strange reason it costs more for gasoline in the city of Sault Ste. Marie than it does in some of the small centres around the city which obtain their gasoline from Sault Ste. Marie. There is no logical explanation.

The urban centres in northern Ontario are served by terminals in Sault Ste. Marie, Thunder Bay and Toronto. The small towns and more remote communities are served by agents who obtain their gasoline from those centres, receive the product from the major terminals and then distribute it.

The cost to deliver gasoline to a station in Toronto is less than the cost to deliver to an urban station in northern Ontario by about 1.5 cents per litre when direct deliveries are made; that is, not through the intermediary. The cost to deliver via an agent can exceed the Toronto cost by as much as seven cents a litre. Obviously, this is related to the market situation in northern Ontario. We have fewer people and smaller communities, so much so that the average station in southern Ontario sells about 75 per cent more gasoline than its northern counterpart. The small volumes in northern communities require higher margins in order to cover costs. We find a number of strange anomalies in the pricing of gasoline that are related to the problems I have enumerated.

If one looks at the history of gasoline prices over the last few months, it is interesting to note that the price in Toronto has varied from a low of between 39 cents and 40 cents a litre in July to a high of about 52 cents a litre in November. However, when one compares that to the history of gasoline pricing in northern Ontario, one notes that the price levels in the north generally have remained flat.

For instance, in July, in Hearst the price was a little over 52 cents a litre and in August it went up to about 55 cents a litre and has stayed there until the end of November. In Sault Ste. Marie, again it is flat. In July the price was about 53 cents for regular gas. In August it escalated to about 55 cents and has stayed at that to the end of October.

The point is that in our area we do not have gas price wars. One of the main components in the

fluctuation of prices up and down in a place like Toronto is the fact that there is so much competition we have price wars in this part of the province. There is not as much competition in the north and there are no price wars, so we have flat prices.

We see more fluctuation in Wawa, for instance, than in most of the other areas. It is not quite as flat in Wawa, but it fluctuated only from a price of about 55 cents in July to a high in October of 58 cents a litre for regular gas.

My friends in the Conservative Party have made a lot of the gasoline tax and its effect on tourism. I submit that the tax is only one component. It is the same across the province. The problem we face in northern Ontario is largely the strange pricing practices in the private sector, which discriminate against northern Ontario, make it difficult for northerners to obtain gasoline at anything like a reasonable cost and discourage tourism far more, frankly, than the gasoline tax.

We have a smaller, less competitive market so we pay a great deal more. Basically, northerners have to pay what the market will bear, and that means higher gasoline prices on average and gasoline prices that do not fluctuate the way they do in the rest of the province.

I suppose one could say we need more competition in northern Ontario to deal with this and to encourage gasoline price wars and the lowering of the price. That is very nice to say, but when you have very small communities, small populations that are widely dispersed across a very large area, I find it difficult to figure out how we are going to encourage more competition. So if the competition in the private sector will not lower the overall price, I submit it is important for the public sector to take action.

My friend from Algoma-Manitoulin proposed one method a few years ago. If that is not workable, then we have to find what is.

I suggest that this government has made a right move in freezing the overall tax on gasoline, but it has not gone far enough. We have to do something about gasoline prices. It is imperative that this government live up to its commitment to institute an inquiry into gasoline pricing and the differentials in price between the north and the south and among the communities of the north.

I support this bill with the proposed amendment by the Treasurer, but I submit that it is only a first step in dealing with the overall question of gasoline pricing. I encourage the government to institute an inquiry to look at the full structure of the petroleum industry—distribution, wholesale



and retail—to ensure that northerners get the same kinds of breaks that accrue, because of greater competition in gasoline retailing, in southern Ontario. Without that, I do not believe this government will have lived up to its commitments to the north, and I encourage it to do so.

**Mr. Gillies:** Mr. Speaker, if you would indulge me for just a few seconds on a matter I would like to relate to the House that has nothing to do with Bill 51; I know it is out of order and I will be brief.

**Mr. Wildman:** It will be the first time the member has been briefly out of order.

**Mr. Gillies:** I thank the member.

I just came from a reception that was being held by a fund-raising committee. Many of the people present were families of the victims of the Air-India crash. The money raised through the reception is going to the expansion of hospital facilities in Mississauga and it was a very moving and touching gathering. The Premier was in attendance. The Right Honourable Joe Clark represented the government of Canada. Our colleague from Mississauga North (Mr. Offer) was there.

I would like it in the annals of this Legislature that the event took place and that the people involved in that tragedy are bouncing back and trying to have something good come of what happened in that very tragic occurrence last spring.

**8:30 p.m.**

On the subject of the gasoline tax, Bill 51, I would like to indicate my opposition to this appalling piece of legislation. Several weeks ago I had an opportunity to share a few thoughts with the House on the diesel fuel tax increase proposed under Bill 50, to which this party again stands alone in opposition. You will recall, Mr. Speaker, all the arguments that were made in relation to that bill by the lone wolves over here, the only guardians of the public interest left in this place, as we stood in our places one after another and talked about the negative impact of that tax on a myriad of enterprises and possibilities for our great province.

I will not bore you with the arguments we made about Bill 50, Mr. Speaker. You have heard them. I remember that you were in the chair that night. You noted them, you understood them and, in your impartial way, I know that you knew the veracity of what we were saying.

I thought I was making headway with my friend the member for Algoma (Mr. Wildman). I thought I had persuaded him to support us in

opposing Bill 50 at that time. He interjected during my remarks that if we built a subway from Wawa to Sault Ste. Marie he would give it every consideration. I have spoken to the Minister of Transportation and Communications (Mr. Fulton). It is just not possible; it is not viable. But now is the opportunity for the member for Algoma to atone for his sins because, as he would tell the members of this House, the gasoline tax increase is much more apropos of his riding and has much more impact on the good people of his riding.

So for the next 15, 20, 30 or 45 minutes I would like to lay out an array of arguments that the member for Algoma will be unable to resist. He will rear up in righteous indignation and tell his colleagues in the New Democratic Party: "I am sorry, I have to oppose Bill 51. I cannot go along with the party line on this one, because it is so wrong."

One thing really bothers me. I see that the Treasurer has left us. He must have seen me get up to speak.

**Mr. Wildman:** I thought he was the member's neighbour.

**Mr. Gillies:** I am going to come back to that.

If the Treasurer is anywhere in the environs of this chamber or if he is watching this debate on television—an innovation around here that I may touch on from time to time—one thing that bothers me about these budgetary bills is that the Treasurer is casting himself in a very uncharacteristic role. I have known the Treasurer for many years since I first made a foray, unsuccessful as it was, into provincial politics in 1977, and I think I have developed a good relationship with the Treasurer, who I thought was a man of fairness and sensitivity unparalleled within these chambers.

**Mr. Dean:** Do not go overboard.

**Mr. Gillies:** My colleague the member for Wentworth tells me, "Do not go overboard." I am trying to contain myself.

But the Treasurer, a man with sensitivity, integrity and an understanding of the issue, a man who I always thought stood for the little guy, is now casting himself in the role of King John. He has become the King John of the Legislature, and we in this party are Robin Hood and his band of merry men.

**Mr. Wildman:** I thought you were going to say you were appalled.

**Mr. Gillies:** I am appalled.

So we over here, the band of merry men who are going to stand up for the little guy, are now

faced with this King John mentality of the Treasurer, clad in his coat of mail and his doubtless scarlet tunic, as he brings in a series of tax measures that are regressive, that are counterproductive and that strike at the very people I always thought the Treasurer was one of the first to defend, the little guy, the working person in the province, the unemployed, the laid-off, the person many of us came into the Legislature to try to help.

I refuse to get used to seeing the Treasurer in the role of King John. It is uncharacteristic and it bothers me very much.

In announcing the introduction of this legislation for second reading, the Treasurer indicated that at the appropriate time he was going to move an amendment to the bill to roll it back partially. The opposition has scored a partial victory. With the untiring efforts of our former leader the member for Muskoka (Mr. F. S. Miller) and our party, with the latter-day support of the members of the third party, we said to the Treasurer: "You cannot freeze this tax at 8.8 cents. You cannot freeze it at a historic high. You cannot freeze it at the high end of the taxation scale. You cannot make a grab from the people with this bill because we are not going to let you."

The Treasurer, Lord only knows, can add. He looked across this side of the floor and he looked across his own side of the floor and he said, and I quote the Treasurer talking to himself, "I have a problem here."

**Mr. Wildman:** How can the member quote someone talking to himself?

**Mr. Gillies:** Because I heard him. Realizing that he had a problem, the Treasurer did some backtracking, entered into some negotiation with the other parties and decided to try 8.3 cents per litre to see what would happen.

The point is, he is still freezing it at the high end, and in so doing he is voting no confidence in Ontario's energy future because he does not believe what the members of this party believe, which is that we have turned the corner in Canada and Ontario on high energy prices and that the future holds better days and the possibility of lower prices. In refusing to recognize that, the Treasurer is voting no confidence in our province and no confidence in our energy future.

I believe every member of the assembly receives the Canadian Petroleum Association Review. There is an article interviewing various experts on energy issues. I would like to quote Dr. Stanislaw, who gave an interview in the November edition of the publication.

He was asked: "Dr. Stanislaw, I understand that your background includes work with the International Energy Agency. Are you willing to venture a forecast on the near-term future of world oil prices?"

Stanislaw: "Basically they are going down. In an effort to help stabilize prices, Saudi Arabia was until quite recently the last holdout among OPEC countries, the last to charge official prices. Now they are changing their course. The scheme they are now negotiating effectively lowers the price of oil by \$1 to \$1.50 to selective buyers. This move has effectively brought down world market prices. There will be continuing downward price pressures for the next six to 18 months, with potential bottom weakness either in the next few weeks or in January or February."

There are other experts. There is more evidence to point to the fact that we should be voting confidence in our energy future and voting confidence in the industrial development and the economic infrastructure of our province by recognizing that and by allowing the budgetary policies of the government to reflect the possibility of lower oil and gasoline prices.

**8:40 p.m.**

What does the Treasurer do? He does exactly the opposite. He removes a system of taxation that would have allowed for that and brings in a tax that freezes the province's share of these taxes, and freezes them at the high end of the scale. I think it is a great pity. It is a failure of the government to recognize the potential for better days in our province in oil and gasoline pricing.

Having said all that, I am going to say something good about this bill. I am very pleased to see the old system of three-price taxation replaced with a single-price tax. Let me explain that; I think it was touched on earlier by one of the Liberal speakers.

Under the existing tax, there was eight per cent taxation on leaded gasoline, 8.4 per cent on unleaded gasoline and 8.8 per cent on unleaded super, which my little car uses. I had to get my own car again in the spring. I will not bore the members with the heartbreak that caused.

**Mr. Breaugh:** Tell us the details.

**Mr. Gillies:** The member for Oshawa is asking me to go into great detail on this.

**Mr. Breaugh:** Tell us why you bought a new Toyota.

**Mr. Gillies:** No. My colleague suggests I bought a Toyota. I did not buy a Toyota. I bought a Pontiac because I was voting yes to the future of the Canadian car industry, even as the govern-



ment was voting no to the energy future of our province. I am not going to be sidetracked by my friend the member for Oshawa.

**Mr. Breaugh:** What kind of Pontiac did you buy? Answer the question.

**Mr. Gillies:** I do not have to answer the questions any more; I just have to ask them. The reason I am glad—

**Mr. Foulds:** Mr. Speaker, on a point of order: The remarks of the honourable member are so worthy of the attention of this chamber that perhaps we should have a quorum.

The Acting Speaker (Mr. Morin) ordered the bells rung.

**8:47 p.m.**

**The Acting Speaker:** It is now a fait accompli that we have a quorum.

**Mr. Gillies:** I thank the member for Port Arthur (Mr. Foulds) for calling that quorum because I am sure every member of the assembly will want to hear why we should not vote for Bill 51, the bill that will raise gasoline taxes.

**Mr. O'Connor:** Tell us again; we were not here.

**Mr. Gillies:** That is a very good point from my friend the member for Oakville. The story thus far: I have made the point that the Treasurer, in moving this bill, has cast himself in the uncharacteristic role of King John of the Legislature and that we in this party are Robin Hood and his band of merry men. We are now faced with a bill which is a vote of no confidence in Ontario's energy future.

We are faced with a bill that says, "We in the government do not believe energy prices could go down." For the members who were not present, I then went on to quote from experts who indicated they believed the price of gasoline will go down. With the indulgence of the House, the Treasurer was not here, so I will quote again.

I will not quote again because one is not supposed to repeat oneself in here, but I will paraphrase what I quoted from the article in the Canadian Petroleum Association Review, in which Dr. Stanislaw, a noted expert on energy matters, told the Review that he basically believes the prices are going down. I will paraphrase it so as not to repeat myself and get into trouble with my friends in the third party.

The scheme they are now negotiating effectively lowers the price of oil by \$1 to \$1.50. This move has effectively brought world market prices down and there will be continuing downward price pressures for the next six to 18

months with potential bottom weakness in January and February.

**8:50 p.m.**

I recall the current Attorney General of Canada, Mr. Crosbie, always used to tell the old Liberal government in Ottawa, "This way is up; this is down." This government is not even allowing for the possibility that energy prices can go down and it is not going to allow the consumers of the province to be advantaged or helped by that circumstance if it should come about.

That is why, as I said before the member for Port Arthur so rightly called for a quorum, this bill is a vote of no confidence in our energy future.

**Mr. Foulds:** On a point of order, Mr. Speaker: Is it possible to ask the quorum to leave?

**Mr. Gillies:** I did not hear that. I am sure it was very good.

**Mr. Ashe:** Not really.

**Mr. Gillies:** I am being charitable.

It is a denial by the government of the possibility that energy prices can go down. We in this party not only believe this can and will happen, but we want the consumers of Ontario to benefit from that circumstance if it should come about. That is why we are so appalled by the direction taken in this bill.

I then went on to say I believed there was something good in this bill, something I was very pleased about.

Interjections.

**Mr. Gillies:** It is getting bad when you cannot hear yourself.

I went on to say I was very pleased about one thing in the bill, and I would like to speak briefly about the positive step in this bill.

**Mr. Ashe:** What is it?

**Mr. Gillies:** It is this.

**The Acting Speaker:** Order. Would you please give the member for Brantford a chance to voice his opinion?

**Mr. Gillies:** Thank you, Mr. Speaker, for that vote of confidence.

The thing I like in this bill is the move to a one-tier tax as opposed to the three-tier tax that exists. I would like to explain for a moment why I think that is the one and only good thing in this bill.

**Mr. Haggerty:** The member will have to support the bill just on that principle alone.

**Mr. Gillies:** Oh, no. My friend the member for Erie says I will have to support the bill, but he

should stick around for the next hour or hour and a quarter because I am going to tell him all the reasons not to support the bill.

I am going to tell you, Mr. Speaker, why I am pleased about the move to a single-tier tax as opposed to the three-tier tax. Under the existing tax, leaded gasoline is subject to an eight per cent tax, unleaded regular gasoline is subject to an 8.4 per cent tax and unleaded super gasoline, which my little car uses, as I told my friend the member for Oshawa earlier, is 8.8 per cent.

The reason I am glad we are moving at least to a single tier, whether it be 8.8 per cent or the level to which the Treasurer has been forced to retreat, 8.3 per cent, is that it will somewhat discourage the use of leaded gasoline. Leaded gasoline was cheaper partly as a reflection of the lower tax. For all the good environmental reasons, we in this party would want to encourage the use of unleaded gasoline, which has fewer hydrocarbons and is less damaging to the environmental and ecological balance of our province.

That is the good thing in this bill. It took me about five minutes to tell members the good thing in the bill. The balance of this speech is going to be about all the terrible things in the bill, all the things that should have been in the bill and are not, all the things that should have been in the budget relating to this bill that are not and so on.

As I noted in the debate on Bill 50, which was opposed solely by this party, this tax is part of a \$700-million tax grab by King John, the Treasurer, and is added to by an increase of some \$500 million in the provincial deficit, a total revenue grab and deficit increase of \$1.2 billion. Yet the budgets of some of the ministries most closely related to this issue of gasoline tax have not been increased or maintained, but have been cut.

I have to wonder to what use the additional revenue the Treasurer will garner from the passage of Bill 51 will be put, additional revenue which we hope will not occur. To what good use will this gasoline tax increase be put, when we see in the Treasurer's budget some of the budgetary cuts in the ministries most closely related to this? I think that is a very serious concern.

The last budget introduced by the Progressive Conservative Party by our new leader, the member for St. Andrew-St. Patrick (Mr. Grossman), reduced the deficit of this province by some \$1 billion, but cut no services to the people of this province and raised no taxes. I think the budget, and indeed Bill 51, indicate a different budgetary philosophy from that being put for-

ward by our party and by the present Leader of the Opposition.

Will this \$1.2 million the Treasurer intends to spend in excess of his revenues be of benefit to the Ministry of Transportation and Communications? Let us talk about that. Will the money from Bill 51 go into improvements of our highways? Will it go into improvements of our municipal roads? Will it go into any other research and development in transportation that will be to the benefit of our vast province with its huge network of roads and highways? I wish I could say yes.

**Mr. McCague:** Highway 403.

**Mr. Gillies:** My colleague mentions Highway 403. I am going to come to that in just a second.

The Ministry of Transportation and Communications, in order to carry on its vital work, had a budget last year of \$1,587,000,000. The budget plan for 1985-86 under the budget of my colleague the Treasurer is \$1,553,000,000, a reduction of \$34 million. Is the reduction of MTC's budget by \$34 million going to improve or worsen the transportation network in this province?

**Mr. Ashe:** There is no doubt about it; it can only worsen it.

**Mr. Gillies:** There is really not much doubt, is there? We are looking at potholes if this direction continues.

Is the reduction of MTC's budget by \$34 million going to lead to the hoped for completion on time of some of the vital highway links this province needs, such as Highway 403 from Brantford to Woodstock?

**Mr. Rowe:** No.

**Mr. Gillies:** Exactly. My friend the member for Simcoe Centre quite rightly says no. A reduction in that budget is not going to do anything for the highway network in this province. We do not see the benefit there.

I thought the additional funds raised by Bill 51 have to be going somewhere. They have to be doing some good somewhere. I looked perhaps at the Ministry of Tourism and Recreation.

**Mr. Rowe:** No.

**Mr. Gillies:** My friend from Simcoe Centre bellows no, and he is right. As we look at tourism, the second largest industry in our province—and many forecasters say one day the largest industry—do we see an increased commitment from the Liberal government towards the tourism sector through its ministry?

**Some hon. members:** No.

**Mr. Gillies:** What do we see? I hear a chorus of noes. The budget of the Ministry of Tourism



and Recreation in 1984-85 was \$159 million. Somebody write that down. I ask my colleague the member for Simcoe Centre.

**The Acting Speaker:** Please address the chair.

9 p.m.

**Mr. Gillies:** There was \$159 million in 1984-85; in the budget plan for 1985-86, in the Treasurer's budget, there is \$146 million. Through you, Mr. Speaker, I ask my colleague to write that down, please. I think that is less. What does my friend come up with?

**Mr. Rowe:** It is \$13 million.

**Mr. Gillies:** That is right; it is a reduction of \$13 million. Therefore, is the additional funding that accrues to the consolidated revenue fund from the passage of Bill 51 going to do anything for our tourism industry? Is it going to allow the Minister of Tourism and Recreation (Mr. Eakins) to introduce new programs to bring new people into our province to spend their money here? Absolutely not.

Let us look at the tourism sector and forget the ministry budget for a second. Let us pretend for a minute that we are tourists; we have just driven into Ontario by way of the Rainbow Bridge at Niagara Falls, and we pull into the Shell station on the right for a fill-up.

**Mr. Gordon:** Is that Earl's?

**Mr. Gillies:** No, it is not Earl's Shell station, but I will be coming back to that too.

Do the prices that greet us at those pumps encourage us to travel in Ontario and spend our money here? No, they do not. The prices discourage us from coming here and spending our money. I cannot understand why the Treasurer would want to do that. This is not the Treasurer I know. This is a new Treasurer with a King John mentality that is very uncharacteristic and troublesome.

In desperation, I thought there must be a plan here; perhaps, through the Ministry of Intergovernmental Affairs, the government was going to increase its commitment in all the trade offices around the world to try to encourage business and industry to move into Ontario. "That must be the plan," I thought. I was so disappointed when I learned the 1984-85 budget for the Ministry of Intergovernmental Affairs was \$9 million and the 1985-86 budget plan is \$7 million, a reduced commitment of \$2 million again.

The \$700-million tax grab in which the Treasurer is indulging himself through his budget, the additional funds that will accrue to the Treasury through Bill 51, the gasoline tax

increase, will not help our tourism or our transportation network, will not encourage tourists to come to Ontario and will not encourage new businesses, new industries and new foreign capital to flow into our province.

The commitment is not there. In fact, there is a reduced commitment. We have a tax grab that does nothing to improve the infrastructure, economic development or industrial strategy of this province. It does nothing. All it does is raise prices for the consumer. All it does is gouge the little guy.

We have heard a litany of problems brought to the attention of this government in recent days. We in this party have been asking questions regarding layoffs of industrial workers at Massey-Ferguson in Brantford, in my own riding and in my neighbour the Treasurer's riding. We have raised questions about layoffs at International Harvester in Chatham and at Inco in Sudbury and those resulting from the closing of a mine in northwestern Ontario.

We know, as a result of the inaction of this government and its inadequate planning and response on these vital economic issues, that people in this province are going to suffer. We know that people are going to be hitting the bricks in the near future; they will be unemployed, laid off, in tough straits, their families wondering how they are going to get by on their supplementary unemployment benefits, unemployment insurance or welfare.

Does increased gasoline taxation, which will stay pegged at the high end of the scale regardless of energy prices, regardless of whether the price of gasoline goes down, help those people who need the help most? Not at all, I suggest. With a regressive tax such as one on gasoline, the poor stiff in Brantford, Sudbury, Chatham or anywhere else who is trying to fill his gas tank so out he can make his calls to seek employment and visit places of employment to see whether he can find a job is going to pay just as much as a wealthy person, and it is going to be one heck of a hard pound on his pocket. It is regressive and it is unconscionable.

**Mr. McClellan:** Did the member say that to the member for Muskoka in caucus?

**Mr. Gillies:** I ask, for the benefit of my friend the member for Bellwoods, why this tax? Why is this tax being pegged at the high end of the scale without recognizing the possibility of lower world oil prices, from which the consumer might benefit? I cannot understand the thinking that has gone into the construction of this bill.

Let us talk about agriculture for a second—

**Mr. Breagh:** Hey, wait a minute.

**Mr. Gillies:** —in relation, of course, to Bill 51, the gasoline tax increase. It is all very well for government spokesmen to say: "Do not raise agriculture, because you know darned well there is a tax credit back to the farmer for gasoline or fuel that is expended in his farm equipment. Do not throw a red herring in about the farm." It is not a red herring at all.

**Mr. Wildman:** It is a blue herring.

**Mr. Gillies:** It is a blue herring. Anyone who knows anything about farming knows that the licensed vehicles used by the farmer—his trucks to transport his produce to market, his car to run any number of errands that are part of running an operation as complex as a family farm—his cars and trucks, which are licensed and on the road, do not qualify for the tax rebate that goes to those pieces of equipment that are used only on the farm, such as tractors and combines.

This tax does hurt the farmer, and in my continuing drive to persuade my friend the member for Algoma to support our opposition to this bill, I want to tell him that the farmers in his part of the world, who have such vast distances to cover in those very vehicles to which I just referred, are probably going to be hurt worse than any of the farmers in my part of the world, because the farmers in my part of the world are probably a heck of a lot closer to market.

**The Acting Speaker:** Please address the chair.

**Mr. Gillies:** I know, Mr. Speaker; thank you. I know that is the argument that pushed my friend the member for Algoma over the edge. I know that is the argument that persuaded my friend the member for Algoma, and I am so happy. I see it in his face.

I have spoken about the one positive aspect of this bill, the one thing I am happy about, the single-tier taxation as opposed to the triple-tier taxation. The Treasurer should be congratulated for responding, as my colleague the member for Lincoln (Mr. Andrewes), the former Minister of Energy, has told me, to the request by the government of Canada that the provinces move in this direction and take revenue and budgetary measures to discourage the burning of leaded gasoline and to encourage the burning of unleaded gasoline. In moving to a single-tier tax in Bill 51, the government of Ontario is responding to what I think is a very legitimate and very progressive request on the part of the government of Canada.

For all that, however, and this has been referred to by other people in this debate, so many problems surrounding the retailing, marketing and taxation of gasoline and other fuels are not addressed by Bill 51 that it is almost turning a blind eye to the root problems.

As I have indicated, by pegging the taxation under Bill 51 and refusing to acknowledge the possibility of lower fuel prices for Ontarians, the Treasurer has voted no confidence in our energy future. He is saying that his party, the governing party, has no faith in or no comprehension of the concept that gasoline and fuel prices could go down; it is not going to recognize that to the potential benefit of our consumers.

**9:10 p.m.**

Then, quite apart from the things I have already enumerated, such as the budgetary cuts for ministries related to transportation, tourism and the attraction of industry and development to our province, we have to move beyond those and look at the problems posed for consumers. We have to look at what this tax does to the ordinary guy in any number of pursuits or areas of endeavour in our province.

There is the obvious one. Everybody pays the tax at the pump when he fills up his car. If one lives in the north or in a rural part of Ontario where a person burns much gasoline to get to the vital services needed for himself and his family, he is getting stiffed. One is paying right through the nose, and it is unfair in that respect.

Let us talk about a few other impacts of this tax, about a few other results of the government's inability to grasp the concept that it is closing the door on the possibility of lower fuel prices and therefore is precluding lower fuel taxation. Let us talk about buses.

**Mr. Wildman:** Why not?

**Mr. Gillies:** In the debate on Bill 50, I was unable to convince my friend the member for Algoma to support our position on the question of diesel fuel.

**Mr. Wildman:** Why is the member using me as a foil?

**Mr. Gillies:** It is because I know the member for Algoma is coming around. I could not convince my friend on that occasion because he quite rightly said, "We do not have a subway going from Wawa to Sault Ste. Marie."

**Mr. Speaker:** And it is too late now; we are on Bill 51.

**Mr. Gillies:** I know that. I also know that if I had pressed the member for Algoma he probably would have said, "They do not have a municipal



transit system using diesel buses in Wawa either." I recognize and accept that. That is why I felt frustration at failing to convince my friend of the veracity of our position.

**Mr. Mancini:** The member's frustration is because he is over there.

**Mr. Gillies:** My friend the member for Essex South wishes to make a point. He says I am frustrated because I am on this side of the floor. That is not so. I know why my friend is frustrated, but we will not get into that.

I could not convince the member for Algoma on diesel fuel because it did not have any great impact in his part of the province. He does not have diesel-burning buses in Wawa. He does not have a subway there using diesel fuel. However, I know I can convince him on Bill 51, because school buses burn gasoline.

Just outside Brantford, in the great riding of Brant-Oxford-Norfolk, there is a manufacturer of school buses called Canadian Blue Bird Coach Ltd. The Treasurer knows as well as I do that most school buses in the province burn gasoline. Some are being converted to propane, but few burn diesel fuel.

I did it, did I not? This is the one that will convince the member for Algoma to support our party's position, because he knows the transportation of school students in his riding is going to be impacted by the increased gasoline tax through Bill 51. He knows his boards of education are going to see their transportation costs increase. He knows the mill rates in his municipalities will be adversely impacted by this. That is why the member for Algoma will finally come around and vote against Bill 51.

**Mr. Wildman:** Wrong. The price of busing is paid for mostly by the ministry.

**Mr. Gillies:** My friend points out that the busing is paid primarily by the ministry. He is quite right. However, if we allow for inflation, the Ministry of Education does not get an increase in King John's budget either. The member will see the purse-strings are being tightened on the Ministry of Energy and on his municipal taxes; so he has no excuse not to vote against Bill 51.

I will leave my friend the member for Algoma to ruminate on these arguments.

**Mr. Speaker:** Excellent.

**Mr. Gillies:** Thank you, Mr. Speaker.

The other thing we have to consider—and I will not direct this specifically at the member for Algoma because it is too obvious, and a mind of his subtlety and agility would be insulted by my

even bringing this to his attention—is that the transportation of goods is going to be adversely affected. A lot of trucks use gasoline, although a lot of the bigger ones use diesel.

Transportation companies, as my friend the member for Cambridge (Mr. Barlow) would tell members if he were here, are going to pay more at the pump, which means the cost of transporting the goods is going to go up. Who pays for it in the end? Who gets it in the end? Again, it is the consumer.

Again, it is not a progressive tax. It is not one that hits the rich the hardest. It is not one that gives a break to the working guy or to the low-income person. A person who makes \$10,000 a year pays as much for the staples, the things one needs to feed a family, as does the person who makes \$50,000. Bill 51 is not going to help those people. It has an adverse effect on those ordinary working people, whom we should be making every effort to assist.

There are many issues surrounding gasoline, and a few of them have been alluded to in this debate. They are things the government is going to have to come to grips with and which it fails to come to grips with in a bill as superficial as Bill 51.

I am sure every member of this assembly at some time or another has had calls of frustration and anger from the lessees or owners of gas stations right across the province. We seem to hear two different sets of arguments. At some point this government is going to have to address the fairness of gas wholesaling and retailing in this province.

There is a widespread feeling, among both those people delivering the fuel and the consumers, that there are a few things out there that are just not right. I am going to touch on one very quickly, Mr. Speaker, because you would quite rightly point out to me that this does not directly have anything to do with Bill 51. One is simply the difference in price between unleaded, premium unleaded and leaded gasoline.

Unleaded gasoline does not cost a sou more to produce than does leaded gasoline, but it costs more at the pump. I just put that out. The Treasurer is not going to solve that one overnight, but it is wrong, it is inequitable and it discourages people from switching to vehicles powered by unleaded gasoline, which pollute less than vehicles using leaded fuel.

If I get a call from the lessee or owner of an independent gas station, after he gets past "Hi, Phil; how are you?" he will tell me something like—

**Hon. Mr. Nixon:** "Where were you the last 10 times I called when I had to phone Bob Nixon?"

**Mr. Gillies:** I am being provoked by my friend the member for Brant-Oxford-Norfolk. Over the years we have helped each other out on a few things. A few of his constituents phone me, and a few of mine call him, but I am delighted that this year the member for Brant-Oxford-Norfolk opened a constituency office. I am pleased about that because I think so much of the Treasurer and his good wife, who is truly a friend not only to me but to all our good people in Brant county as well.

I am so pleased that she no longer is harassed by all the people phoning the farm during the day when the Treasurer is up here doing his work and that she has a bit of help now through a constituency office so she can continue her good works in the community.

**Mr. Speaker:** The bill.

**Mr. Gillies:** Mr. Speaker, you were about to point out to me that this has nothing to do with Bill 51. I am glad you did that because I was getting way off track there. I see my friend the Minister of Natural Resources (Mr. Kerrio) is here, and I want to talk to him in a second too.

As I was saying, this independent gas station owner is still hanging on the line. He got past "Hi, Phil" and he said—

**Mr. Mackenzie:** The member would never make any money if it was not by the hour.

**Mr. Gillies:** My friend the member for Hamilton East is trying to help the debate along too.

9:20 p.m.

The argument from the independents is that they feel they get the short end of the stick. They cannot buy gasoline from the big oil companies at the same discounts or with the same promotions and buck discounts and all of this stuff that the retailers through the chains do. This is very important, because it impacts directly on Bill 51, the gasoline tax increase. I saw you leafing through the bill, Mr. Speaker.

Then we get a call from one of the lessees of one of the big oil company chain outlets, and he or she says: "We cannot compete against the independents, because they get gasoline dumped on them at the end of the day by the deliverers. They get special price deals and so on that we do not get through the big oil companies." Each of those sets of people believe very truly that they are right, that they are getting the short end of the stick in retailing their gasoline vis-à-vis the competition, and they feel they are suffering from unfair competition.

This taxation measure will do nothing to alleviate those concerns; it will do nothing but exacerbate the situation. When the price of gasoline does go down, or at least when the 11 o'clock news tells everyone in Canada that because of certain trends in the world oil markets or because of certain actions by the Organization of Petroleum Exporting Countries the price of gasoline, hallelujah, is going down, and yet it is not reflected in lower taxation by the province, those same gasoline service station outlet owners and lessees are going to be on the line to all of us asking why that is so.

I am going to have to tell them that part of the reason is that the government, with the help of the third party, passed Bill 51, which does not reflect the possibility of lower gasoline prices. Some of those consumers, some of those retailers and wholesalers are going to be very angry that we took such a shortsighted view of the issue.

**Hon. Mr. Kerrio:** Push it way up. That is where it all happens: the member's kissing cousins in Ottawa.

**Mr. Gillies:** They are going to be very angry. They are going to call my friend the Minister of Natural Resources. They are going to say: "Hey, I live here in Niagara Falls and I have a cabinet minister as my member now. I am going to call him and complain about gasoline taxation."

Do members know what he is going to tell them over the phone? He is going to tell them exactly what he just yelled across the floor at me: "It is those guys in Ottawa. Do not look at me. It is the government of Canada." But I know that my friend the Minister of Natural Resources always tells the truth, so he will have to admit to those constituents that part of the problem is the shortsighted action being taken by his government in introducing Bill 51.

My very active friend the member for Niagara Falls (Mr. Kerrio) is also the Minister of Energy, and he, of all the members in the government caucus, should be concerned about the effects of Bill 51 because—

**Mr. Grande:** Is this a filibuster?

**Mr. Gillies:** No, it is a speech.

If one allows for inflation, he just had his ministry's budget reduced by \$1.2 million.

**Hon. Mr. Kerrio:** Bafflegab, that is what it is all about.

**Mr. Gillies:** I know my friend the Minister of Energy will want to introduce research and development programs, he will want to look at conservation and exploration and at development and production matters through his ministry, and



he is going to be restrained in his ability to do so because the same budget that is freezing gasoline prices at the high end of the scale—if I cannot persuade my friend the member for Algoma and his colleagues otherwise—is knocking \$1.2 million out of his ability to do what he, as a thoroughly concerned minister, will want to do. I look for a split in the cabinet. I know the Minister of Energy will not be able to support Bill 51; I just know it.

**Hon. Mr. Kerrio:** That was the longest run-on sentence I have ever heard.

**Mr. Gillies:** As someone who served under Bill Davis for four years, I take that as a compliment.

In the budget brought in by my friend the Treasurer with his new King John mentality, Robin Hood and the merry men over here did a bit of research. We looked at the budget and found yet another thing that will do absolutely nothing for energy conservation and nothing for the consumers of energy in this province, and that is the Liberal plan to review the functions of the Ontario Energy Corp.

The OEC is a proven winner. It has enhanced availability. It has been involved in the development of new methods of energy technology, conservation, exploration and all those things. Why on earth would King John and his troops want to review the operations of a proven winner such as the OEC? With regard to this and its relation—

**Mr. Speaker:** Which relates to—

**Mr. Gillies:** —to Bill 51, I hope this review will come to the same conclusion so many of the reviews undertaken by our friends in the new government have come to. They will look at it and they will find that the policy and structure set up by the Progressive Conservative government was right, was serving the people well, was efficient and should continue.

**Hon. Mr. Kerrio:** No.

**Mr. Gillies:** That is what my friend the Minister of Energy will find when he completes the review of that excellent energy corporation.

In this party, we will continue in the limited time available to us to try to persuade thinking members of the House of one possible course of action with regard to gasoline taxation, a course of action under the existing system that has the following attributes. First, it would allow the government's taxation policies to reflect lower energy costs. Through taxation, it would allow those lower costs to be complemented by lower taxation passed on to the consumer. Second, a

system is in place that was frozen in summer 1984 at the high end of the scale by the former government. Therefore, any suggestion the ad valorem tax would go up even in the highly unlikely case of increased energy prices in the next while—

**Mr. Wildman:** They froze it at the high end because they might go down.

**Mr. Gillies:** Fine, but the possibility was there under the legislation for it to go down. The member for Algoma is now truly ruminating over whether to change his vote on this bill.

Contrast that with the bill brought in by the Treasurer that may freeze the taxation at 8.8 cents, or maybe, we now hear, at 8.3 cents because he has been so overwhelmed by the arguments made on this side of the House against his gasoline tax grab. Contrast it with a system that will leave that taxation in place regardless of the possibility of lower gasoline and energy costs. The choice is very clear.

**Hon. Mr. Nixon:** Is he still talking?

**Mr. Gillies:** I have to keep talking because the Treasurer missed part of this speech and I do not want him to miss a single point.

**Hon. Mr. Nixon:** The problem is that the next speaker is sitting in the anteroom having a cup of coffee.

**Mr. Gillies:** Not at all. I do not want the Treasurer to miss a single point of this. On sober reflection, a man of the Treasurer's—

**Mr. Wildman:** Sober reflection?

**Mr. Gillies:** I give everybody in this place the benefit of the doubt.

**9:30 p.m.**

A man with the knowledge of the issues, sensitivity and sense of fairness of the Treasurer will look again at this anomalous policy. He will look again at the tax grab he is undertaking and at his unwillingness to recognize the possibility of lower fuel prices. He will look again at the vote of no confidence in our energy future this bill represents, and perhaps our colleague the Treasurer will even change his mind and rescind Bill 51.

**Mr. Morin-Strom:** I am pleased to be able to speak on this bill which addresses an issue of very high profile in my home community. The issue of gasoline prices and gasoline taxes in northern Ontario is very important to all residents of the north. This is especially true in a city like Sault Ste. Marie, where prices have been inflated for a considerable period of time in relation to prices elsewhere in Ontario, with no rational

justification whatsoever in terms of costs, taxes or transportation for the major oil companies involved in that market. This bill addresses at least one part of that total cost problem: the gasoline taxes placed by the province.

Gasoline taxes are, in my opinion, very regressive taxes. They are not based on ability to pay. Gasoline for automobiles is a commodity that virtually everyone in society uses in relatively equal amounts. As a result, the tax becomes more like a per capita tax, not based on people's levels of income; certainly not in proportion to the levels of income, in any case.

It is a particular penalty for northerners, because people in northern Ontario, on the average, put more mileage on their vehicles; they have longer distances to travel. We have colder weather in the north, so vehicles, particularly at this time of the year, have to be heated up before operating. There is also a big cost penalty to businesses, particularly small businesses, that have to get products delivered from southern Ontario or pay for the cost of delivery within the northern communities.

This is a tax which means that northern Ontario subsidizes southern Ontario. I feel the proposed bill should be supported because it is at least a step in the right direction. It maintains the freeze on taxes, and before we can see reductions in this regressive tax we at least have to see that the freeze we had agreed to in the accord with the Liberal Party is in place so that—

**Mr. Ashe:** The freeze has been there for a year and a half. The member is out of date.

**Mr. Morin-Strom:** Yes; right. The Tories were prepared to take the freeze off and increase levels of taxes.

The next step has to be reductions in the overall levels of this tax, and I think there has to be some reflection of the costs in northern Ontario compared to the costs in southern Ontario, as well as the amount of gasoline used in the north; not only that, but the other cost structures in gasoline prices in the north. For example, there is no justification for prices in Sault Ste. Marie being eight, 10, 15 cents a litre higher than those in Toronto.

Sault Ste. Marie is served via vessel. There is a major terminal right in Sault Ste. Marie for most of the major gasoline corporations. They have extremely low transportation costs to the Sault. In fact, it becomes a distribution point for many communities in the north. However, the prices are higher in the Sault than in many of the communities served outside it. I do not see how the gasoline companies can possibly justify

prices in Blind River being lower than in Sault Ste. Marie on a consistent, ongoing basis when the stations in Blind River are being served from Sault Ste. Marie.

**Mr. Wildman:** Do not raise the prices in Blind River. Lower the prices in Sault Ste. Marie.

**Mr. Morin-Strom:** There is simply no competition in Sault Ste. Marie. There are nearly 50 stations, but there has been no price change since January 4, 1984 in the city of Sault Ste. Marie, other than a two cents a litre increase imposed by the federal Conservatives this summer. That has been the only change, not only in terms of price trends but in the actual, everyday price in every single station in that community. Graphs that have been done by the Ministry of Energy as a daily monitoring of prices in Sault Ste. Marie show they are absolutely flat, with no change and no evidence of competition whatsoever.

There is a serious question of corporate concentration and lack of competitive business practices going on in my community. In talking to local gas station operators, they indicate to me they are given no discretion in gasoline prices and the prices are being set in Toronto, by the head offices here. There are apparently no independents left in the Sault, or at least the arrangements the independents have renegotiated with the major suppliers have left them no pricing discretion.

When talking to the gasoline corporations, they claim the Sault is one of the few if not the only place in Ontario where profits are high enough in relation to where they think profits should be. That should be an indication that their prices are far too high there. They are saying the prices in other communities are the ones that are out of whack; they are too low to get adequate returns in southern Ontario and only in communities in northern Ontario are they getting a reasonable return on their investment.

This is patently absurd when we take into account the price differences between the north and south. Transportation costs are minuscule, in the order of 1.5 cents per litre, from southern to northern Ontario, far lower than the price differences we are paying in the north. It is apparent that there is at least implicit pressure to hold prices at given levels in northern Ontario and avoid the opportunity of individual operators engaging in price competition. As a result, there have been no price wars in many communities in the north, certainly not in Sault Ste. Marie, for nearly two years.



9:40 p.m.

However, the station operators claim there are too many stations, that the individual operators are not getting a decent return, that all the profits are going to the major oil companies centred in Toronto, and that the benefits of these high prices are not going to the local operators.

Most residents of Sault Ste. Marie feel there is a serious issue of price fixing involved in the pricing of gasoline in northern Ontario. Given the evidence available that there is no competition at the present time, as far as I can see, I think we have to have a government that is willing to take action beyond this proposed amendment to the gasoline tax.

I would like to see the government move in one of two directions. The government could institute actions to ensure that competitive pricing does occur throughout this province; that local retailers are able to compete on a fair basis; that costs paid by consumers back to head offices are fairly distributed across the province; and that price differences do reflect differences in cost of operation between various communities. The only other solution I can see is that we are going to have to move towards government regulation of pricing in order to equalize the prices of gasoline across Ontario. There is no rational explanation for the current prices of gasoline, particularly in northern Ontario.

As a result of the accord agreement, we have ensured there will be no increase in gasoline taxes and that gasoline taxes will be frozen at the current level. I am pleased to see the government will be introducing an amendment to lower its proposed increase to bring the overall prices back into line with what they have been over the last year in Ontario.

Also in that accord agreement, there is mention of the need for an inquiry on gasoline prices. That inquiry is absolutely essential to alleviate the concerns of the residents of northern Ontario. We have to have an open public inquiry which allows the views of northerners to be expressed on this vital issue, so that the government, which has continued to claim to be an open government, open to consultation with the public, will implement that intention in northern Ontario.

Northerners want to be able to speak out on this issue. They want to be able to express their concerns and propose alternative methods of pricing and regulation in the gasoline business in this province. I very much look forward to the proposal, which has by now been nearly six months in coming from the Liberal government,

as to what that inquiry will entail and when it will commence.

I trust the inquiry will be headed by an independent commissioner or independent commissioners who will be free to cross northern Ontario, hold public hearings, get input into the issue of gasoline prices across the north and report back to the Legislature with proposals on how we can have a more equitable distribution of gasoline prices and of the cost of energy and of doing business in this province. Until that inquiry is under way, northerners continue to face a serious disadvantage in their cost of transportation, business and heating fuel.

This bill is at least a first step in ensuring that gasoline prices do not continue to increase into the future and that the Ontario government will maintain a freeze on the level of the provincial taxes. In the next budget, I hope the Treasurer will take more specific action to ensure not only that gasoline taxes in the north are reduced, but also to ensure a more fair and equitable distribution of prices across this province.

**Mr. Lane:** I appreciate an opportunity to rise to make a few comments on Bill 51, An Act to amend the Gasoline Tax Act. I will be very brief because there are other people who want to speak on this bill tonight.

Subsection 2(1) of the bill says, "Every purchaser of gasoline shall pay to the Treasurer a tax at the rate of 8.8 cents per litre on all gasoline purchased by, or delivered to, the purchaser."

Even good old Earl and the people down at his garage could not support a tax of this type. We know that. I would like to go back to another day when we were debating another budget back in June 1981. The present Treasurer, who was then the House leader for the official opposition, was making some comments. He said:

"Mr. Speaker, there are many points that have not been fully covered in this debate as yet. I certainly do not intend to put forward any extensive review, but I can tell members that the constituents I have the honour to represent are unanimously opposed to a tax of this type. It is seen as an irresponsible approach to the costs of energy and one that my constituents find almost unbelievable."

The Treasurer still represents the same people; so they must still have the same feelings about the tax he is proposing in his recent budget. I could quote from Hansard of June 8, 1981, at some length, but there is no point in doing that.

We talk a lot in this House about secondary industry for small one-industry towns in northern Ontario. The one opportunity we have to provide

secondary industry for these towns is tourism. This budget and this bill seem to aggravate those who would come to the north to spend their tourist dollars. Our American friends are continually complaining about the price of gasoline and liquor; yet this budget puts both prices up. People who would normally come to northern Ontario to spend their holiday money will say they can do better elsewhere and will not come to Ontario this year.

Also in northern Ontario, we have a reason to fly because of the vast distance we have to travel. The norOntair flights provide excellent service from point A to point B. Many tourists want to fly in to fish or hunt and many other people make their living out of flying people from one point to another. The fact that we are increasing the price of aviation fuel from 1.7 cents per litre to 1.88 cents per litre is another penalty. This government with this budget is continually sticking the knife into the backs of people living in the north.

This evening my friend the member for Algoma mentioned a private member's bill I debated in the House in February 1978. The bill was Bill 3, An Act to require a Single Price for Gasoline and Heating Oil sold in Ontario by a Wholesaler. It is unfortunate that the members at that time did not pay more attention to the bill I was putting forward. We might have that today had more people listened to me.

**9:50 p.m.**

In any case, I pointed out at the time that in the north we pay a double penalty. We northerners are proud people; we choose to be northerners. The first penalty we pay is that we drive farther to do the same amount of business and we use more gasoline. We have a longer, colder winter than that in the south; so we have to buy more fuel to heat our homes. We pay it gladly because we are proud people.

We are proud to be northerners and we pay those penalties without any complaint about rights to shorter distances or warmer winters.

The double penalty to which we object is that we pay X number of cents more per litre for fuel oil or gasoline than do people in southern Ontario. That is a double penalty, and it is one that I feel this government has not taken into consideration. When it brought in its budget everything seemed to increase: drivers' licences, licence plates, gasoline. You name it, we got stuck with it.

I am just a little disappointed that my friend the Treasurer, who I know has a very deep interest in the people of this province at heart, would bring forth a budget that really would not support the

development of tourism or of secondary industry in one-industry towns and would really take a hard shot like that at northern Ontario. I am very disappointed, to say the least.

I said at the beginning I would be brief, but I do want to refer to Bill 51 again. Section 9 of the bill would add a new subsection 30(7) to the act that says, "Notwithstanding anything in this section, the minister may communicate or allow to be communicated to an official of the Ministry of Treasury and Economics, solely for the purpose of evaluating and formulating tax policy, information obtained under this act."

Since the Minister of Revenue and the Treasurer are the same person, it would seem he should talk to himself and decide not to do what he is proposing to do in his budget, especially in Bill 51. If the rumours are true, and I hope they are, the Treasurer has talked to himself and has decided he will not ask us to pay 8.8 cents but will make it something less than that. I really hope he has persuaded himself he has done an injustice to northerners and wants to retract that injustice to make it fair to all people in this province.

**Mr. Mancini:** I want to take the opportunity to speak to this piece of legislation this evening, to put a few things on the record, and maybe to give a different perspective from what the Conservative members in particular have been telling the Legislature.

I have never seen more crocodile tears in all my life. We have had Conservative member after Conservative member stand in this assembly and cry crocodile tears about the north. First, they cried about the north and how expensive it is to live in the north and how costly all the services are for the average family. Then we heard from the Conservatives that this particular bill was a tax grab, because it no longer supports the *ad valorem* system.

All we have to do is to look back just a few months to see who was trying to grab all the taxes and who was trying to be unfair to the taxpayers of this province. How can we have a system in this province whereby the government does not even have to introduce legislation in order to raise taxes? What kind of fairness is that?

**Mr. Wiseman:** The member's tie is crooked. He should straighten his tie. It will not look nice.

**Mr. Mancini:** We are doing very well, I thank the member very much.

That government in about 1981, I believe, introduced the *ad valorem* tax for one singular purpose, and that was to raise taxes every three or four months without coming and justifying it to



the Legislature or to the public, without even the common courtesy of informing people that taxes would rise.

They doubled the tax that way over a period of four or five years. We voted against the ad valorem tax some years ago. We knew it was unfair. We are proud finally to have the opportunity to abolish the ad valorem tax, to abolish the tax that had been put in place by a majority Conservative government.

We remember the old refrain about the realities of March 19. Every time we questioned the government about what it was doing or what it was not doing, we heard the old, arrogant refrain about the realities of March 19.

I remember when the member for Lanark was a minister. I will not make any judgement on his capacity and on the judgements he made when he was a minister. I do remember that when he was giving answers or making the very occasional speech, he also used his hands. He sometimes put them in his pockets, like this, or he would reach in his pocket to get a pen. He would use his arms one way or another.

I want to say something in particular to the member for Brantford (Mr. Gillies), who is signing his Christmas cards. He gave a very lengthy speech this evening and cried about every industrial sector in our province that has to use gasoline. We saw crocodile tears for the truck drivers and the school bus operators. We heard about the municipalities. He cried crocodile tears for everyone imaginable while, at the same time, forgetting what he as a former government member had done.

He seems to have forgotten that his party put the ad valorem tax in place. His was the party that doubled the tax on gasoline, that so arrogantly spoke to the members of the opposition and the public about the realities of March 19. His is still the party that cannot come to grips with the fact it has lost legislative control, that it can no longer arrogantly dictate what happens or dictate policy.

We sit here on a daily basis and wonder when his party will finally accept that. We are really wondering when it will break with the past, because I cannot understand why anyone would stand in this House and say he is in support of the ad valorem tax. Who is in favour of taxation without a full debate? Who could be in favour of taxation without in any way involving the public? Who could be in favour of raising gasoline taxes every three or four months? It had to be the Conservative Party; only the party that is now in opposition could be in favour of such a tax.

We heard the member for Brantford quote some eminent person from the gasoline industry.

**Hon. Mr. Bradley:** Probably a former Tory candidate.

**10 p.m.**

**Mr. Mancini:** Yes, probably a former Tory candidate. The person said that in his view gasoline prices would go down over the next six to 18 months. Six months is not a very long time, and he has forgotten once again that we are at the disposal of foreign countries for much of the oil we need. He has forgotten once again that we ourselves do not control all the mechanisms to supply gasoline to our citizens. He has forgotten that there is unrest in much of this world and that a great deal can change in six months.

Those people want to gamble with the consumers. They want to say some hotshot who was a Tory candidate some time ago and who works in the petroleum industry says there may be a gas price decrease within six months. They want to take that gamble and keep the unjust ad valorem tax on while knowing very well the situation could change almost immediately and the ad valorem tax could put great pressure on the economy if oil prices went up, as they have done in the past. It has happened before, it can happen again.

I question a political party that does not have the backbone to debate and discuss in an open and fair manner some of the tax policies it really favours. One of the reasons those guys are over there now—

Interjection.

**Mr. Mancini:** We know all about their deal. They want to know about our deal with the the member for York South (Mr. Rae). We know very well what they offered the other parties. We saw the letter that appeared on CITY-TV. We saw the letter that the member for Muskoka signed.

**Mr. Speaker:** Does this pertain to Bill 51?

**Mr. Mancini:** Mr. Speaker, I am being provoked.

All a person had to do to keep track of the negotiations was to read the letter the member for Muskoka had signed and had published.

This bill that has been introduced by our Treasurer, who has the confidence of this party and I believe of the vast majority of Ontario citizens, once and for all sends a signal to the people of this province that when we are going to do the public's business we are going to do it in such a way that they understand what is happening in this Legislature.

The days of trickery and of trying to fool the public with every possible means are gone for ever. From a political point of view, I am heartened to see that the Conservative Party has learned no lesson whatsoever from what happened on May 2. That brings political joy to my heart. That means we are going to be here a very long time.

**Mr. Wiseman:** The member's speechwriter is not doing too well.

**Mr. Mancini:** We do not hire very expensive speechwriters the way the former government did.

**Mr. Wiseman:** Does the member have a limousine?

**Mr. Mancini:** Do I have a limousine? I use Co-op cabs. Is that all right with those guys?

The real point of this debate was missed by the Conservative Party. Once again they have failed to see—

**Hon. Mr. Grandmaitre:** The light?

**Mr. Mancini:** —the light. The member for Ottawa East is helping me out.

They have failed to understand that things have changed. I am surprised. I thought that with such a new and tough, new and tough, new and tough, and new and tough leader—yes, that is it, a new and tough leader; those are the words I want.

**Mr. Speaker:** The member is getting quite repetitious.

**Mr. Mancini:** I was trying to emphasize new and tough leadership for the Progressive Conservative Party. They have failed to understand that the population of this province is not so interested in new and tough; it is interested in new and good, new and progressive, new and innovative. That is what the population is interested in. They have missed the whole thing all over again.

I fail to see why they are not standing up, one after another, in support of the Treasurer's legislation and in support of the Minister of Revenue.

**Mr. Gillies:** No; King John.

**Mr. Mancini:** We are correcting a grave disservice done by the Progressive Conservative Party.

**Mr. Wiseman:** The member should not send a copy of this speech home to his riding. It is not one of his better ones.

**Mr. Mancini:** I thought a forward-looking member such as the member for Lanark, who tasted power and then lost it, and then lost it again; and a member such as the member for Brantford, who tasted power and then lost it,

would be interested in trying in some small way to figure out how it all happened; but no, they cling to the past.

The Progressive Conservative Party clings to the past. They fail to realize that the present is upon them and that tomorrow is the future. However, they do have a new and tough leader, a new and tough leader.

**An hon. member:** Our boy.

**Mr. Mancini:** Our boy; our new and tough leader. I want to leave a few parting words for my good friends.

**Mr. Speaker:** On Bill 51, I hope.

**Mr. Mancini:** It deals exactly with the bill; it is right on the bill. It deals with all the concerns that have been brought up by the opposition. People in this province want to know whether they can trust the government. They want to know whether legislation passed here is something they can use as a guide.

Ad valorem legislation is not legislation the people can trust, and it is not legislation the consumer or people in business can use as a guide. Ad valorem legislation is a tricky way to raise taxes. It is a tricky way to take revenue from the pockets of the citizens and put it in the Treasury without in any way justifying that action.

With this bill, we have changed the course of the province as to how revenue will be raised. We have sent out a signal to the people of the province, and the signal is that when revenue is needed we will face the Legislature, debate with the members and justify whether the revenue is needed. That is the major item in this piece of legislation that I believe will help gain even further the confidence of the people of Ontario for this new government.

The Conservative members can cling to the past if they want. We are moving forward and leaving them behind.

**10:10 p.m.**

**Mr. Ashe:** It was very interesting to note that the member for Essex South (Mr. Mancini) was able to take time to participate in the debate. I hope the Premier does not slap his fingers tomorrow because he got away from signing the Premier's Christmas cards. I will give him a little word of advice—

**Mr. Mancini:** Mr. Speaker, on a point of privilege: The honourable member referred to something about the Premier slapping my fingers for signing his Christmas cards. This is very important. The Premier takes care of his own



Christmas cards, and I take care of mine at my own expense.

**Mr. Ashe:** I am glad to know the honourable member takes care of lots of Christmas cards, but I hope when he is checking out the Premier's he makes sure this year they do not say, "Merry Christmas from Jim Coutts" in another language, as last year's did.

**Mr. Gillies:** Do the members remember that?

**Mr. Ashe:** It said, "Merry Christmas from Jim Coutts" in Chinese on the Christmas cards of the former Leader of the Opposition. It is noted that the multiculturalism across the way showed through even at Christmas.

I suppose nothing more appropriate can be said on this bill than, "Would the real Bob Nixon stand up?"

**Mr. Speaker:** The Treasurer.

**Mr. Ashe:** I have to refer to him by name. I appreciate that we have to refer to his constituency or office, Treasurer or Minister of Revenue, but I am thinking of a fellow I knew before. His name was Bob Nixon, and he was the fellow who used to stand up day after day, week after week, month after month, year after year, and really be a consumer advocate. He used to stand up and criticize the previous government any time it seemed to impinge on the marketplace, on the taxpayers of this province. When we raised taxes, he would get up and talk about the good people in Brant-Oxford-Norfolk or whatever—

**Mr. Gillies:** Earl's Shell station.

**Mr. Ashe:** —at Earl's Shell station in St. George, down the road from Paris and a wee bit outside of Brantford; and he would stand up like he meant it. He was always so sincere, I really did think he meant it. Many times, I nearly cried when I heard his outpourings on behalf of the taxpayers of this province.

However, what does he do? The first opportunity he has to stand up as the Treasurer, and later as the Minister of Revenue introducing all the tax bills, he raises taxes. That is not the member I knew before. I have to be charitable and say somebody somewhere along the line brought in a dummy and put a name on it. It is not really that heart-wrenching individual we knew before. I will refrain from using his name because it is not appropriate.

**Mr. Gillies:** The member cannot call him a dummy, either.

**Mr. Ashe:** A dummy was brought in. I would never refer to the member as a dummy. I presume somebody came in and planted something.

I find it a little disconcerting that many of the members opposite, the member we just heard from who is doing the Christmas cards for the Premier and himself, the member for Essex South; and we heard earlier from the member for Algoma saying they got rid of the ad valorem, as if that was a sign of purity.

It goes to show they do not have an understanding of the tax system in this province. They have no understanding. If they meant what they said, they would all be standing up day after day; week after week, month after month, imploring the Treasurer to eliminate the sales tax. That is the ad valorem tax that has been in effect the longest time in this province. Yet I have not heard one reference to the sales tax in the context of being ad valorem.

That is exactly what it is. With tobacco or alcohol, or in this case gasoline, the tax rates may have been different, but the sales tax is ad valorem as the others were and I have heard no reference to that. I guess they do not understand the mechanics of how taxes are raised. They do not understand what the words "ad valorem" mean.

**Mr. Gillies:** They should resign.

**Mr. Ashe:** I think so. Anybody at this stage in his career—particularly the member for Essex South, who has been here for a considerable period of time, thanks to the charity of his constituency—should really know what the words "ad valorem" mean; but he obviously does not, and maybe the Treasurer in his good time will give a little educational course to his caucus member.

I have some more specific concerns about Bill 51. We already know that the so-called accord, as I think the Minister of Revenue referred to it, was a matter of recognition of numbers, and he is going to propose a decrease in the proposed increase in this tax. He had proposed in Bill 51 to raise the tax to 8.8 cents from eight cents, and he is going to put an amendment when the bill reaches committee to make it 8.3 cents.

That still is not good enough. We are talking at a time when virtually all experts in Ontario and across Canada and North America suggest that, other than the short-term blip we have right now in the price of product, in the short to medium term the price of petroleum products is going to decrease. That is where ad valorem works to the benefit of the consumer. But that party across there, that Treasurer across there, who was replaced by another individual a while ago, says, "Oh, we are going to take the ad valorem off now before it goes down."

The people to my left over here, and they sure are to the left—they should be a rump to the party across the way but they have not recognized that yet; I am not quite sure who is pulling the strings of whom, but that is a question for another day—in actual fact suggested that the previous government, which froze the rates after the summer of 1984, proposed and froze them at a high.

We left the ad valorem on so that when prices started to come down—and there is every indication they are going to come down—we would be able to reduce them. But this Treasurer, this Minister of Revenue, and this government say to the consumers of Ontario: "Oh, no. You are going to pay more money to operate that vehicle. You are not only going to pay more money for your licence plates and for your driver's licence, but you are also going to pay still more for gasoline."

To add insult to injury, he is continuing an increase on what has now become predominantly the stock of older vehicles on the road, the automobiles that, unfortunately, still burn leaded gasoline. What is happening to those people, might I ask? Still with the benevolence of the Treasurer, still with the benevolence of the Minister of Revenue, there is going to be a proposed increase of 0.3 cents on each litre of gasoline, so the poorer people of the province, the people in northern Ontario who drive the vehicles that still use leaded gasoline, are going to pay more. But is that party standing up to protect them? Not at all. It is only this party that is worried and concerned about the taxpayers of this great province of ours.

It is not only the members here who recognize that kind of tax grab. Let me just read a few excerpts. The Treasurer may even have heard—

**Mr. Wildman:** On a point of order, Mr. Speaker: The member has just said his party is fighting that change in the tax as it relates to leaded gasoline, when in fact his colleague the member for Brantford earlier this evening supported it.

**10:20 p.m.**

**Mr. Speaker:** A very good point of view.

**Mr. Gillies:** We are a party of free thinkers.

**Mr. Speaker:** Order. I said it was a point of view. The member for Durham West has the floor.

**Mr. Ashe:** We do not differ at all on our points of view. It is just a different perspective on the same problem.

Interjections.

**Mr. Speaker:** Order. I would like to mention to the member for St. Catharines (Mr. Bradley) that he is not in his own seat, even though interjections are out of order.

**Mr. Gillies:** They will love this at the rowing club.

**Mr. Ashe:** They sure will.

It is coincidence that the reference I am going to read from happens to be relatively close to that member's constituency. Hamilton is not that far away from St. Catharines.

I will read a few remarks relative to Bill 51 in a very recent edition, November 1985, of the Hamilton Automobile Club News. This is by the executive vice-president of that esteemed automobile club.

**Mr. Gillies:** What is his name?

**Mr. Ashe:** His name is Alfred U. Oakie, executive vice-president of the Hamilton Automobile Club. I do not want to take up the time of the chamber to put all his very pertinent remarks on the record; so I will acknowledge that these are only excerpts from his very indulgent, far-reaching look at this issue.

What does he say? "Increased gasoline taxes do impact our economy while penalizing many motorists who need their automobiles to get to and from work every day or even to enjoy the minimum of social activity. Automobiles are not a luxury." I am sure all in this chamber, even the member for Essex South, who does not have a limousine of his own yet, will acknowledge that automobiles are no longer considered a luxury.

Let me go on: "The provincial budget brought down by the Honourable Robert Nixon"—I have to use the honourable member's name because I am reading—"on October 24 was totally frustrating for the motorists of Ontario. The government increased gasoline taxes by up to 10 per cent"—

I do acknowledge, and I will even be happy to send a little memo in case Mr. Oakie does not know it yet, that the Treasurer is proposing to lower that 10 per cent increase to something in the order of four per cent on one grade of gasoline. That is benevolence. I acknowledge that.

He goes on to say:—"motor vehicle registration fees by 12.5 per cent and driver licence fees by 40 per cent. Our disappointment in the budget is sharpened by a number of reflections including the following." This is the most relevant of all his remarks. He has insight and a good memory. "For many years prior to the Liberal Party gaining power as the government body"—I will



add a little bit of my own, thanks to the manipulation of the third party—"they were most critical of the Conservative administration's practices on motor vehicle taxes. They would occasionally quote our club's concern in Hansard as support for their position."

It goes on in a very eloquent way, talking about the accord and that perhaps the third party was going to stand up for the rights and freedoms of the people of this province, something that it has negated as time has gone by. They are so concerned about a possible consultation with the people that they will lose all their values, all the things they stood up for over many years.

I would even go so far as to say they were sometimes the party of purity around here, but no longer. The Minister of the Environment (Mr. Bradley) has to keep an eye on them, because that is where they have gone to in some of their policies.

**Mr. Gillies:** It is just a branch office of the government.

**Mr. Ashe:** That is right. It is a little thing off the little left side, I suppose one could say.

That was a very eloquent reference from the Hamilton Automobile Club, but let us take something a little closer to home. It is something I referred to before, but it is so relevant to Bill 51 that I think it deserves to be repeated. To prove that it is not repetitive on this subject, I might say the same reference was used relative to another piece of taxation we discussed on another evening.

Let me quote from a recent article in a well-respected Toronto newspaper. The columnist is Orland French, who I might say is not a favourite of this party and vice versa in the past year or so. However, let me quote a paragraph that I am sure will make the Treasurer, the

Minister of Revenue, or whatever hat he has on this evening, squirm a little.

I quote specifically and accurately: "But Mr. Zaozirny"—I will add a little piece of editorial comment for those who do not know, particularly some of the newer members who have not been here for a while, that Mr. Zaozirny happens to be the Minister of Energy of a province out west called Alberta.

"But Mr. Zaozirny has a few dry comments to make about the Ontario budget. 'If the Ontario government is so concerned about the welfare of the consumer,' he asks, 'why did it raise gasoline taxes?'" The article goes on, and this is the relevant point I was trying to make a little earlier.

**Mr. Speaker:** Order. It is almost 10:30 p.m. Do you have more?

**Mr. Ashe:** I would like to finish this reference and then I will be happy to adjourn the debate. I know many more speakers want to speak on this important issue; so I am sure we will have to carry on another day.

To conclude the article I referred to before the clock runs out, it goes on: "Why did it remove the ad valorem tax at a time when oil prices are dropping so that the gasoline tax would remain fixed instead of declining accordingly?"

That was not said by the New Democratic Party or by this party. This is a columnist in the Globe and Mail who has been somewhat supportive of the government party, particularly in this past year. This is from somebody who was fairly supportive of the Liberal administration, and it is quite obvious the honeymoon continues, but even he does not think much about the grandiose and grandstand play of removing the ad valorem tax at this time.

On motion by Mr. Ashe, the debate was adjourned.

The House adjourned at 10:30 p.m.

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No. 60

# Hansard

## Official Report of Debates

### Legislative Assembly of Ontario



**First Session, 33rd Parliament**

Thursday, December 5, 1985

Afternoon Sitting

Speaker: Honourable H. A. Edighoffer

Clerk of the House: R. G. Lewis, QC

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# LEGISLATIVE ASSEMBLY OF ONTARIO

Thursday, December 5, 1985

The House met at 2 p.m.

Prayers.

## STATEMENT BY THE MINISTRY

### NORTHERN HEALTH SERVICES

**Hon. Mr. Elston:** On October 17, I informed the members of this House about our government's intention to improve health care services to residents of northern Ontario.

On November 25, I told the House that administrative and implementation details for a northern travel grant program and a specialist recruitment program had been completed and approved, the necessary funding had been secured and the programs would be in effect on December 1.

Since I made that announcement, there have been prolonged rejoinders from certain members of the official opposition that these programs had been previously announced by the former government and were ready for implementation when our government took office. Let me clarify the record for the benefit of everyone and, I hope, put this discussion, which has already dragged on far too long, to rest.

As a member of this House during the former government's administration, I remember the member for Muskoka (Mr. F. S. Miller), then Premier of Ontario, announced on April 18 a travel subsidy program for northern Ontario residents. In his statement he said his government would in the next few months begin to cover transportation costs for northerners "to travel to teaching and designated hospitals if the distance is greater than 200 miles." The member for Muskoka estimated the cost of that program to be about \$1.5 million a year and said it would be available to all residents living north of the French River.

In the speech from the throne that was read in this House on June 4, there was also a passing reference to the fact that the Miller government planned to proceed with a program to subsidize significant transportation costs for northern residents who required hospital care.

Clearly then the public record does show that the Miller government had mentioned northern travel programs on at least two occasions. When

I assumed the Health portfolio on June 26, however, I found no formal mechanisms necessary for administering the programs in place.

The public record also shows that during the past election campaign the previous government made a number of health care promises on behalf of the people of Ontario. I will not dispute that the former government may have been well intentioned about each and every one of these programs, but as in the case of the northern travel grant program, none was operational or ready for implementation when I became minister.

We also know that during the latter days of the previous administration commitments were made on an array of programs and policies. These commitments often had an air of not so quiet desperation. They frequently departed widely from traditional Conservative Party ideology and they appeared to be part of a public relations campaign to woo Ontario voters. Together, all of these commitments were estimated to cost approximately \$181 million.

Shortly after our government took office, the Premier (Mr. Peterson) announced on July 2, 1985, that financial commitments of this magnitude, made during a short period of time—from the election campaign up to the previous government's departure from office—had to be the subject of careful examination and review. One of the commitments reviewed was the proposal for northern health travel grants, for which \$1.125 million had been allocated to the then Ministry of Northern Affairs.

Our review showed that the Miller proposal was just not good enough. We decided the proposal had to be reworked and the policy redeveloped if health care requirements in the north were to be truly met. We held a series of consultations with northern physicians and hospitals to help determine the type of program that was needed. After the financial implications were accounted for, we were then in a position to move ahead with program implementation.

The travel grant program I announced on November 27 differs significantly from the Miller proposal. Because our program includes referrals for medical specialist services as well as hospital admissions, we estimate that approximately 81,000 grants will be provided each year.

The Miller proposal envisaged 4,400. The member for Muskoka estimated that his government's travel grant program would cost about \$1.5 million a year. Our program, because it will benefit a far greater number of people, is estimated to cost \$13 million annually.

The Miller proposal would have provided travel grants only to northern residents being admitted as inpatients to teaching hospitals in the south. Our program provides that northern residents will be eligible for travel grants when they are referred to specialists as well as to hospitals. Referrals are to be to the nearest appropriate physician or institution—not in the south, unless necessary—so that local northern referral patterns may be better developed.

The northern travel grant program now in effect and developed by our government is clearly a more comprehensive program than that envisaged by the previous administration. It reflects the priorities and the commitment to northern health care services that this government holds. I am confident that all members of this House will agree that health care services for the people of northern Ontario are much improved because of it.

**Mr. Harris:** On a point of order, Mr. Speaker: I would like you to consider whether the statement just read is in order in the light of the business of the House, an important emergency debate that is coming up today. What we have here is not a statement on the business of this minister's ministry but an entire statement on partisan, political garbage that is factually in error. Is that the purpose of statements, or is the purpose of statements for the minister to comment on his ministry?

**Mr. Speaker:** The member raised a point of order. I appreciate that it is in the standing orders that the ministers have the opportunity to rise and to refer to particular matters pertaining to their ministries. Of course, I have to accept that it is. It is up to the minister to present that information.

**Hon. Mr. O'Neil:** On a point of order, Mr. Speaker: On Tuesday of this week, the Leader of the Opposition (Mr. Grossman) asked for certain information. I would like to deposit this with the Legislature. It deals with government of Ontario contacts with de Havilland with respect to purchasers, the Canada Development Investment Corp. and the federal government.

2:10 p.m.

### ORAL QUESTIONS

#### DE HAVILLAND AIRCRAFT OF CANADA

**Mr. Grossman:** I have a question for the Minister of Industry, Trade and Technology. The

minister indicated to the House on Tuesday last that he had had a conversation with the President of the Treasury Board, Mr. de Cotret, on the afternoon of Friday, November 29, which was before the de Havilland agreement was concluded and announced.

Will the minister tell me whether during that conversation, held before the agreement was completed, he asked for job guarantees for Ontario workers, and what the response was?

**Hon. Mr. O'Neil:** It is my understanding from our discussion with Mr. de Cotret that the agreement had already been finalized.

**Mr. Grossman:** Is the minister then suggesting that, as a result of his fundamental neglect of this circumstance, the first he found out that an agreement had been entered into last Friday, and that the agreement had no job guarantees for Ontarians or Canadians, was as late as last Friday? Is that the position he is taking with this House?

**Hon. Mr. O'Neil:** As I have reiterated on several occasions, my office and ministry were in touch with the federal government on many occasions and it would not release any of that information. It was released to me only on Friday afternoon.

**Mr. Rae:** It is unbelievable what these Tories will do, and it is also unbelievable what the Liberals will not do.

I asked the Premier on November 25 about the then widely circulated rumours about the progress of the Boeing deal through the federal cabinet. The Premier said on November 25 that, as far as he was aware, no action had been taken and nothing had been finalized, that he had had a meeting with Mr. Mulroney in the summer and had sought assurances with respect to job guarantees.

With respect to a deal that was in the works for several months—indeed, years in preparation in terms of announced federal Tory policy—how is it possible that his government was so poorly prepared and so asleep at the switch when literally thousands of jobs were at stake in Ontario?

**Hon. Mr. O'Neil:** The federal government refused to release any of that information and did not consult with us. In fact, on Friday afternoon when we were at the Premiers' conference, I was the one who asked for the meeting because we had heard rumours this information would be announced on Monday afternoon.

**Mr. Grossman:** Might I remind the Minister of Industry, Trade and Technology that he was in



this House regularly, that he has regular access to the media and that through all that period of time no one was stopping him from standing up and complaining publicly to the media, to the citizens of this province or to the federal government that he was being kept out and locked out of discussions and had no information.

Why did he not stand up and complain about this before the opposition parties in this House raised it last week? Where was he? Who was stopping him from making those representations?

**Hon. Mr. O'Neil:** The member opposite is the Leader of the Opposition. Why was he not asking the questions?

#### RENTAL ACCOMMODATION

**Mr. Gordon:** I have a question of the Minister of Housing. I am sure he is aware of the desperate plight of single women with children in search of affordable housing in Ontario. I would draw to his attention a woman in the gallery here today who has come to us in great need. Cheryl lives with her three children, one a two-month-old baby, in a single room above a bar in downtown Toronto at a rent of \$125 a week.

How long must women like Cheryl, the women of this city and this province, suffer such indignity and hardship before the minister acts to provide decent places for them to live and raise their children?

[Applause]

**Hon. Mr. Curling:** I am surprised the opposition is applauding enthusiastically at a time when we have a case like this. The condition we see was not created today; it was created yesterday. There was neglect in recognizing that single parents need accommodation. We hope the housing policy we will be introducing very shortly, which the honourable member is so anxious about, will accommodate and look at single parents who are in that kind of situation.

**Mr. Gordon:** The fact that the minister says it is not his fault does not do a hell of a lot to solve Cheryl's problem. He is the Minister of Housing, not the minister of buck-passing.

**Mr. Speaker:** Question.

**Mr. Gordon:** It does not wash. How soon can Cheryl and other women like her in this province expect accommodation?

**Hon. Mr. Curling:** I am not sure whether the honourable member was listening, but our housing policy will be coming forth shortly. Rather than taking 42 years to bring about a

comprehensive housing policy, it will come about in five months.

**Mr. R. F. Johnston:** I feel my privileges as the most outraged member of this House have been taken away from me by the member for Sudbury (Mr. Gordon), who all of a sudden feels he can be indignant.

**Mr. Speaker:** Perhaps you can get them back by asking a supplementary question.

**Mr. R. F. Johnston:** The minister was not here two years ago, so he will not remember that it was that long ago I introduced to the people in this House some 20 mothers and their children who were on waiting lists for housing, and begged of the then Minister of Municipal Affairs and Housing, the member for Ottawa South (Mr. Bennett), that he provide housing for those people. There were 18,000 people on the waiting list.

The minister says his housing policy is coming in. Will he please be precise as to how quickly it will meet the needs of the people on the waiting list? How many people on the waiting list will be affected by that initiative? We know now—

**Mr. Speaker:** Order. The minister.

**Mr. R. F. Johnston:** —that there are in excess of 20,000 families on that waiting list.

**Hon. Mr. Curling:** I know the honourable member is informed about the process of parliamentary procedures and the legislative process. As he knows, we are looking at some of the immediate needs, which will be addressed very shortly. He also knows that the entire, comprehensive housing policy we speak about will take some time. However, we will be addressing the immediate needs very shortly.

**Mr. Gordon:** The situation is deplorable. Thousands of women such as Cheryl are living in subsistence dwellings and on the streets across this province. When is the minister going to provide accommodation for those women? They are not going to be satisfied with just a statement. When is he going to do something?

**Hon. Mr. Curling:** The member does not have to point out to me the deplorable situation I see out there. I know about it and I am here to do something about it. As he knows, I cannot wave a wand and solve all the problems. I am concerned. I have travelled around Ontario and seen the deplorable situation. I am doing my doggone best to resolve it.

2:20 p.m.

## DE HAVILLAND AIRCRAFT OF CANADA

**Mr. Rae:** In the absence of the Premier (Mr. Peterson), I have a question for the Minister of Industry, Trade and Technology about the appalling silence throughout the summer and the complete mishandling of the de Havilland sale. Did the government of Ontario ever express a clear preference on the part of the people of this province that de Havilland should, at the very least, remain in Canadian hands? Was that view ever clearly and emphatically expressed to the government of Canada by the government of Ontario?

**Hon. Mr. O'Neil:** Yes; it was expressed on several occasions. If the leader of the New Democratic Party will review the sequence of events, he will see that once we formed the government we were very active from June 26 to the time the bids were made.

**Mr. Rae:** Perhaps that is the minister's definition of consultation. He has just been taken to the cleaners by the federal government and he still does not seem to be aware of the fact. That message does not seem to have come home.

The Premier said on November 25: "I understand the following: there was a conversation with Mr. Stevens's office on Friday. We have been assured a deal has not been made and we will be given a chance to look at that before it is consummated, if it is. I understand there were two or three different bids. I am not sure of the details of each."

That was the Premier speaking on November 25, the eve of the deal, saying he was not sure of the details of any of the proposals being made. He said, "I am not sure of the details of each. It is and will be our strong position"—

**Mr. Speaker:** Question.

**Mr. Rae:** How does the minister explain the complete and utter failure of the government of Ontario to make its case known in Ottawa and to make its case have some effect in Ottawa, since this is a travesty of consultation and a travesty in regard to the future of the aerospace industry in this province?

**Hon. Mr. O'Neil:** I have to agree with the honourable member that it is a travesty. From the time we came into government we pressed the federal government for answers to these things. Both I and the Premier were assured the contract would not be let or a sale would not be made until we were consulted. We were not consulted. If it had not been for our pressing them on Friday afternoon at the Premiers' conference we likely would not know today.

**Mr. Grossman:** To quote a refrain we heard during the provincial election campaign, it is quite obvious the Premier of Ontario today counts for nothing in Ottawa when it comes to fighting for Ontario interests.

I have a question for the embarrassed Minister of Industry, Trade and Technology. As to this list that purports to outline extensive involvement by him in protecting the interests of Ontarians, might I point out that, never mind all the padded information here, there are on the list two occasions when the minister deigned to get involved. By his own evidence, the first was on August 1, when he met with representatives of Rimgate Holdings, and the second was the same day, when he met with Sinclair Stevens.

From this entire list, by his own evidence and by his own admission, the minister himself treated this as so important that he got involved in the de Havilland circumstance on one day since coming to office. Can he explain to us why on only one day he thought de Havilland was important enough to get involved himself?

**Hon. Mr. O'Neil:** If the Leader of the Opposition will check the sequence of events, the ministry is under my direction, and the calls and the meetings were under my direction. Let me state one thing further: The sale of de Havilland was announced approximately one year ago. I would sure like to see the member table what he did, because he hardly did one thing at all.

**Mr. Grossman:** What did the minister do? One day.

Interjections.

**Mr. Speaker:** Order. Final supplementary; the member for York South.

**Mr. Rae:** I want to go back to the minister and I want to ask—

Interjections.

**Mr. Speaker:** Order.

Interjections.

**Mr. Speaker:** Order.

Interjections.

**Mr. Speaker:** Order. I am going to leave the chamber for five minutes.

Mr. Speaker suspended proceedings at 2:25 p.m.

2:31 p.m.

**Mr. Speaker:** Final supplementary; the member for York South.

**Mr. Rae:** I hope the pause refreshed the minister a bit so we can have some answers that make a little more sense than the ones he has been giving us.



Can the minister tell us how it is possible that the Premier was able to say to this House on November 25: "I understand there were two or three different bids. I am not sure of the details of each"? On the eve of a deal being consummated and arranged in Ottawa, how is it possible that the person supposed to be carrying the ball for Ontario was not aware of any of the details of any of the bids that were being considered by the federal government?

**Hon. Mr. O'Neil:** As I have mentioned before, de Havilland, through the holding company, is owned by the federal government. The federal government was pressed by myself, my ministry staff and the Premier to disclose those details and it did not.

**Mr. Rae:** With great respect, that was not what the Premier said on November 25. He did not complain that he was not getting the information. If he was not getting the information on November 25, why did he not stand up in this House to make a ministerial statement and say, "I am not satisfied with the information that is being given to Ontario"?

**Hon. Mr. O'Neil:** I can only say that the Premier, myself and the ministry took the federal government at its word that it would disclose those details to us before it made them public.

**Mr. Rae:** It is a sad day when the Minister of Industry, Trade and Technology is outsmarted by the federal government in Ottawa; and admits he has been totally outsmarted and outmanoeuvred on a matter that affects the future of the aerospace industry in this province. Does the minister realize that is what he is confessing to today?

**Hon. Mr. O'Neil:** I do not believe that is it at all. As I said, we asked many times to have those details disclosed to us. The federal government told us we would be told about it, and we were not.

**Mr. Grossman:** In the list the minister gave us of contacts he and his staff had, I counted three companies: Dornier, Rimgate Holdings and Messerschmitt-Bölkow-Blohm. By his own admission on Tuesday, 135 prospective Canadian purchasers had shown interest in purchasing de Havilland. By his own admission, he and his people contacted three of 135. Can he explain why he did not bother to contact the other 132 and indicate to them his willingness, if any, to provide loan guarantees or grants to assist them in purchasing de Havilland?

**Hon. Mr. O'Neil:** When this government became the government on June 26, I was told—and it has been confirmed in many places—

that of the 135 there were only three serious bidders. Not one of those bidders is a totally Canadian company. I was also told that in the time since it was announced in September or October of 1984, the honourable member and his government did nothing to contact any of them except Rimgate, which it refused even to help.

**Mr. Brandt:** Mr. Speaker, on a point of privilege: The minister is indicating information that is totally and completely misleading. I would like you to call him to order for those statements, because they are inaccurate.

**Hon. Mr. O'Neil:** I will be pleased to withdraw that, but perhaps the previous government will be prepared to table in this Legislature its actions since the announcement of the sale last year.

**Mr. Rae:** The minister knows he is not the first Canadian and not the first politician to be taken to the cleaners by Sinclair Stevens. I suspect he will not be the last. He should go down to Bay Street and talk to people about that process.

Does the minister not realize he is admitting that just as the former Premier, the member for Muskoka (Mr. F. S. Miller), had no influence over the federal government with respect to the gasoline tax and the deal signed with the big oil companies, his government has had zero impact on the federal government, not with respect to oil pricing or deals in western Canada but with respect to a sellout of the aerospace industry and a threat to thousands of jobs in Ontario? Does the minister not realize that is what has happened?

**Hon. Mr. O'Neil:** When we formed the government on June 26, realizing there could possibly be three serious contenders, with Dornier and Rimgate as two we could possibly help, we did quite a bit. I and my ministry staff worked with the Dornier people to try to put together different companies and concerns. We wanted to put together a Canadian company that could buy that concern.

#### GOVERNMENT ADVERTISING

**Mr. Grossman:** I have a question for the Minister of Tourism and Recreation with respect to the awarding of the tourism advertising contract.

Interjections.

**Mr. Grossman:** Wait until members hear this. This is terrific. They will love it.

Given the new policy on the awarding of these contracts, I wonder if the minister might confirm the following series of events: (1) The official

call to tender went out; (2) 254 responses were received; (3) the Advertising Review Board narrowed that down to 17 and then to four; (4) Hershell Ezrin, principal secretary to the Premier (Mr. Peterson), instructed the board to add three names to that short list during the last week of October. They included an outfit called Outour Communications—members have all heard of it, no doubt—which may not even exist as a company, but which does have strong ties to the Ontario Liberal Party.

Would the minister be kind enough to confirm that sequence of events for us?

2:40 p.m.

**Hon. Mr. Eakins:** First of all, under the new arrangement, everyone will have an opportunity to become part of the advertising for Ontario and certainly for the tourism ministry. There is no automatic selection of one's friends. We have a certain number—I want to assure the member that no final decision has been made. This has been done in an open process with members who have been appointed to that board and also with the public. No final decision has been made as yet.

**Mr. Grossman:** Sorry, Mr. Speaker, I caught a draught from Mr. Ezrin running out of the House quickly.

I have a supplementary question for the minister if he wants to try to answer this one. Would he like to confirm that the tourism advertising contract will be awarded—are members ready for this?—to a struggling Canadian advertising firm called Vickers and Benson? Could the minister confirm that V and B, which has a modest involvement with the Ontario Liberal Party, has been fortunate enough to be selected off that list of 254, but that, in fairness, he has decided that Camp Associates Advertising be awarded the French advertising, where no dollars were spent last year?

**Hon. Mr. Eakins:** I have no involvement in the selection of who receives the contracts. Unlike what happened with the previous government, it is not predetermined. This is a new day for tourism in Ontario because, as far as the Leader of the Opposition's commitment to tourism in Ontario was concerned, he was opposed to a separate ministry for tourism in this province and he knows it.

Interjections.

**Mr. Speaker:** Order. It certainly is not a new day for noise level.

**Mr. Rae:** The minister sounds suspiciously like a piano player in a brothel claiming he has no idea at all about what is going on upstairs. The

Tories were upstairs and they know exactly what does go on up there.

So that we as a Legislature may overcome this history with respect to advertising—it was 42 years of chicanery and now it appears it may be 43—does the minister not think this entire matter on the awarding of major contracts of this type should be reviewed, overseen and approved by a parliamentary committee of the whole House? In that manner, the matter could finally be settled in public and not by one of the parties that happens to be in government taking advantage and awarding them to its friends.

**Hon. Mr. Eakins:** As I have said, there has been no final decision on the selection of who is going to receive that contract. What we are looking for is innovative ideas. It is not simply a case of awarding it to one's friends, as the Tories have done over the years. This is an open process where members of the public are involved in the selection.

#### INSURANCE RATES

**Mr. Swart:** My question is to the Minister of Consumer and Commercial Relations (Mr. Kwinter) and it partially relates back to his statement made on Monday on the insurance issue. The minister may recall that in spite of the fact the insurance companies are arbitrarily refusing coverage through the normal channels or are raising rates for liability coverage by two to 10 times, he made no mention in his statement of any investigation being made to determine whether those refusals and increases in rates are justified.

Will he now tell the House exactly what studies he has done and what investigations he has made to find out whether those rate increases are fully justified or whether they are really a tactic by the insurance companies in the light of the high settlements to protect themselves and vastly improve their net income?

**Hon. Mr. Kwinter:** In my statement I did say that we were looking at the whole area of the insurance problem. I should tell the honourable member that we have set up a task force under the superintendent of insurance, which will have representatives, I hope, from all parties and from the industry, to take a look at the affordability question and the availability question.

**Mr. Swart:** Does the minister not know that this problem has been in existence for many months and that it is kind of late now to be dealing with it in that manner?

I would ask him about the case of Bob Dowd of Carleton Bus Lines, who operates almost 100



buses. He was notified on November 13 that Royal Insurance would not renew his fleet insurance, which expired on November 30. He spent 250 hours searching for a replacement. He eventually found a company to provide the insurance. His fleet rate for school buses went up 224 per cent, his rate for highway coaches operating in Canada went up 620 per cent and the rate for buses qualified to travel in the United States went up from \$1,800 to \$15,000 per bus per year.

Is the minister telling us this kind of horrendous increase can be justified, or is he telling us he does not know? With the current prices, does he not think it is time that insurance companies had to justify—

**Mr. Speaker:** Order.

**Hon. Mr. Kwinter:** I sympathize with the member and with the people who are being sadly hurt by these large increases in insurance, but he has to realize this is set in the marketplace and that we are looking at it to see whether we cannot find an alternative.

**Mr. Brandt:** I am sure the minister knows that some of the actions of his government are aggravating the very problem he is intending to pursue, and I could give him some examples.

Is he aware of the absolutely outrageous increases in insurance, particularly for liability coverage, that are affecting the municipalities of this province, many of whom are going to attempt to self-insure if they cannot get insurance coverage? They are looking at premium increases of 100, 200 or 300 per cent. Will the minister speak to the minister who sits beside him, namely, the Minister of Municipal Affairs (Mr. Grandmaitre); the Attorney General (Mr. Scott), and others who could bring some influence to bear on this particular problem? It is a growing, serious, critical, chaotic problem in this province, and he has to move right away.

**Hon. Mr. Kwinter:** Again, I am aware of the problem. I am sympathetic to the problem and it is a universal problem; it is not peculiar to Ontario. The Association of Municipalities of Ontario is looking into self-insurance; the truck industry is looking into self-insurance. We have people with greenhouses who have problems. We have people in the professions who have problems.

This is a problem, as I say, of national scope. We are looking at it in this province, on a federal basis and on an international basis to come to a resolution.

## SERVICES EN FRANÇAIS

**M. Guindon:** J'ai une question pour le ministre délégué aux Affaires francophones. L'engagement du gouvernement Davis-Miller à l'égard de la prestation des services en français est bien connu et reconnu par tous les membres de l'Assemblée et par la communauté franco-phone.

Depuis le mois de juillet, le gouvernement libéral a beaucoup fait état de la nécessité d'embaucher et d'augmenter le nombre de fonctionnaires francophones aux ministères de la fonction publique en Ontario. En particulier, le ministre et le député de Prescott-Russell (M. Poirier) ont lancé un appel aux francophones de se présenter pour des postes au gouvernement.

Combien de fonctionnaires francophones ont été embauchés depuis le mois de juin? Est-ce que les francophones, qui ont répondu en grand nombre à l'invitation du ministre, ont eu du succès à se trouver de l'emploi au gouvernement?

**2:50 p.m.**

**L'hon. M. Grandmaitre:** Je peux rassurer le député de Cornwall que c'est vrai que le gouvernement ontarien a reçu beaucoup d'applications, excepté que, dû au fait qu'il y avait un déménagement de leurs municipalités, soit d'Ottawa ou d'autre part en Ontario, il est très difficile pour ces gens-là de se rélocaliser à Toronto.

Je peux rassurer le député que présentent le gouvernement et aussi l'Office des affaires francophones regardent la possibilité d'attirer ces gens-là, non seulement avec un meilleur salaire mais en leur offrant des cours afin qu'ils nous présentent une meilleure compétence.

**M. Guindon:** Durant tous ces déménagements, sait-il que les postes de coordonnateur de services en français dans plusieurs ministères, notamment le ministère de la Santé, le ministère des Collèges et Universités, le ministère de la Formation professionnelle, le ministère de l'Industrie, du Commerce et de la Technologie et d'autres, ainsi que le poste de coordonnateur provincial, sont vacants depuis plusieurs mois?

**L'hon. M. Grandmaitre:** Je crois que le député est en erreur. Lorsqu'on dit "plusieurs mois", c'est absolument faux. Nous sommes en train d'évaluer les compétences de certaines personnes, et très bientôt la personne que le député vient de mentionner sera remplacée par une personne de grande compétence.

Alors, c'est faux d'assumer que présentement il y a des postes bilingues ou des postes

francophones parmi la gestion des fonctionnaires qui sont libres. Il n'y en a pas.

**M. Pouliot:** Depuis trop longtemps, ce qui est arrivé est ceci. C'est pas plus que ça, mais c'est quand même pas moins que ça. Écoutez-moi attentivement: c'est qu'on nous a menti, on nous a déçu.

Maintenant, le député d'Ottawa Est, comme ministre, a la chance, et c'est une chance unique parce qu'un gouvernement minoritaire, ça ne se produit pas tellement souvent, pas tous les jours. Il a la chance de rectifier l'injustice qui s'est produite à cause du manque de francophones qui étaient fonctionnaires dans son gouvernement. Maintenant, en essayant de répondre à la question qui lui a été posée par mon collègue du Parti conservateur, il a omis de nous dire combien, le nombre. Maintenant, va-t-il nous dire ça?

Je crois à sa sincérité. Maintenant, est-ce qu'il peut indiquer à cette Chambre quand et combien de fonctionnaires seront affectés de façon positive?

**L'hon. M. Grandmaitre:** Je peux dire que dans mon ministère on n'avait jamais entendu parler d'une personne francophone, ou même bilingue. Je peux assurer le député que dans le ministère des Affaires municipales aujourd'hui, six de mes 11 employés immédiats sont français et bilingues. C'est un début.

Maintenant, si on parle de la fonction publique, je ne peux pas donner un chiffre exact, excepté que très bientôt, je présenterai des outils à la Chambre pour former des personnes intéressées à la gestion ontarienne. Je suis sûr que le député va accepter le programme, dû au fait que nous allons présenter un programme pour former ces gens-là et leur donner la chance de compétitionner, comme tout anglophone de la province de l'Ontario.

### FLOODING

**Mr. Hayes:** My question is to the Minister of Natural Resources. I appreciate the fact the minister allowed me to join him on his flying tour to look at the areas damaged by the high water, but he has ignored my plea that he provide the proper assistance to the municipalities before this fall.

On July 12 I asked the minister to request assistance from the Department of National Defence. Finally, since there was no response to that, I wrote to the Minister of National Defence. The minister wrote me on October 23 stating that he was informed by Ministry of Natural Resources officials that the water level is receding and the

possibility of the flooding threat was resolved. He also said he could take action only at the request of the province.

Will the minister tell me who in the Ministry of Natural Resources informed the Department of National Defence that there would not be a flooding threat this fall, and why?

**Hon. Mr. Kerrio:** Of course, we invited the honourable member to go and view the damage that was done along the shoreline, and I am just a little bit surprised he is not fully aware of all the circumstances. Perhaps I should have given him a briefing after the visit, although he had a briefing before and he understood all the ramifications of controlling the high waters on the Great Lakes system. That is not the responsibility of Ontario and my ministry. We will need the participation of the federal government and the government of the United States of America if there is going to be any controlling of that international waterway.

I am very surprised the member is not aware of that. We may have to take some time the next time we fly down together to make the member fully aware of the circumstances and we will invite other members who are interested enough to want to visit to come down with us.

**Mr. Brandt:** The minister did not invite us this time.

**Hon. Mr. Kerrio:** The fact is the member made the request of me. I want the member for Sarnia to do the same to show him that he will be very welcome. He knows he has a problem down there and we are looking after that for him just as we are for the member in the third party.

I would like the member to understand that the problem is way and beyond the ability of the Ministry of Natural Resources of Ontario to participate in any meaningful way.

**Mr. Hayes:** Mr. Speaker, you would like me to hurry up and get my question in, but I wish the minister would answer the question that I asked him; that is, who and why.

The minister would no doubt agree that had he not ignored my request to contact the Minister of National Defence for assistance, the damage experienced by the residents would have been greatly reduced. Will he now ask the Department of National Defence for its assistance before people experience any more damage?

**Hon. Mr. Kerrio:** I have been given praise for many things but never for being able to hold back the water. That is a physical impossibility. We have a very distinct responsibility within the confines of my ministry, as do the Ministry of



Municipal Affairs and the Ministry of Transportation and Communications. We shared all those things with the member and made very specific comments about where we could properly help those people who had suffered from this disaster along the shores of Lake Erie.

We met with all the reeves and mayors and the chairman of the Regional Municipality of Niagara, and we pledged to them that when they brought forward the kind of reports that were necessary for the Minister of Municipal Affairs (Mr. Grandmaître) and myself, that we would get them together. This is open government we are talking about, and I invite any members who want to meet with us, to participate to see how we can very properly address ourselves to this very serious question.

**Mr. Harris:** Can the minister inform us of a couple of things that have happened in his ministry? This is not a new problem. The minister knows the water has been high there for a while. He also knows there were problems in that region this spring and that we announced a \$4.5-million program, albeit it was just to get started, albeit it was not going to solve the whole problem; other help was needed.

Can he explain why, when he took over when his government came in, he did not feel it was important enough to maintain that money? The first thing he did was cut \$1.5 million out.

**Hon. Mr. Kerrio:** I always thought the member was a nice guy and he would not run at me like that. Let me tell the member something about that.

This is a very important point. We have not used the money that is in place. There was no demand. The money is there at the request of the citizens of municipalities and others that need help. We, as a new government, do not go around deciding that we have to advertise to spend money. We are going to be very responsible.

That question the member raised is not valid. There are moneys there that have not been used as yet, and we are very much prepared to help those people who are going to need the help, much more than the former government ever was. It spent more of its money on advertising and not helping the people.

**Mr. Pope:** What a bunch of rubbish. The minister sat on the money.

**Mr. Speaker:** Order.

3 p.m.

## TRIAL DECISION

**Mr. O'Connor:** I have a question for the Attorney General. It relates to the case of a repeat sex offender, William Jondreau, an acknowledged paedophile, who recently was convicted of brutalizing a seven-year-old girl in a most heinous manner and received a reformatory sentence of two years less a day. I repeat the plea of my leader in a press release today and ask the Attorney General whether he intends to appeal immediately that most inadequate sentence in this case.

**Hon. Mr. Scott:** I thank the honourable member for the question. As he probably knows, we in the ministry make determinations to appeal or not to appeal after we have seen the reasons for judgement of the trial judge and after we have received a report from the crown attorney who prosecuted the case, who in this instance asked for an imprisonment sentence of eight years.

We are awaiting the transcribed reasons for the judgement of Her Ladyship and the report from the crown attorney, which I understand will be in my hands on Monday. Immediately thereafter, we will consider those matters and make a determination that I will be glad to announce to the House.

**Mr. O'Connor:** Is the Attorney General aware that this man has a lengthy criminal record for similar offences against young children, namely, two boys of 11 and 12 years of age? Is he also aware that the litany of acts perpetrated on this little girl are perhaps the most horrendous I have ever seen in my experience as a practising lawyer? Notwithstanding the report from his officials, will he immediately launch an appeal in this case?

**Hon. Mr. Scott:** I would like to react on the spur of the moment, which apparently is what my friend wants. The facts reported in the press are obviously shocking and the history of the accused, as reported in the press, is alarming, but I know the member would not want any Attorney General to react entirely on the basis of press reports.

That is not the way I intend to fulfil this office, if I can avoid it. I am going to wait for a report from the crown attorney and I am going to wait until I have done Her Ladyship, who presided at this difficult trial, the courtesy of reading what she has to say about the case and then, as dispassionately as I can, I am going to consider whether an appeal is warranted.

## ACCESS TO MEDICAL TREATMENT

**Mr. R. F. Johnston:** My question is for the Minister of Community and Social Services. He will know that recently the Minister of Health (Mr. Elston) has come forward with money for medical transportation for people from the north. He knows his own ministry is responsible under general welfare legislation for providing assistance to welfare recipients, so that under a shared 50-50 cost with the local municipalities, these people are able to come from places where there are no hospitals for hospital care in other centres.

Is the minister aware that some municipalities in this province are not treating this as discretionary money to spend on needy individuals, but are ruling out any possibility of people using those funds at all?

I have a quote from a worker in the Hastings county—

**Mr. Speaker:** The question has already been asked.

**Mr. R. F. Johnston:** There is verification that it is not discretionary at all. Payments for transportation have been denied to everyone since 1982.

**Hon. Mr. Sweeney:** The relationship of my ministry with the municipalities across the province is such that there are some programs that are mandatory and others that are discretionary, supplementary benefits being another example.

At present, I am not prepared to make it mandatory for the municipalities to participate in these programs. We have clearly indicated that we are prepared to pay our share of the cost and do not expect the municipalities to pay the full cost. I gather that as long as the municipalities are compelled to pay their share, then there has to be some discretion in it. At this point, I am not prepared to go any further with that.

**Mr. R. F. Johnston:** I was afraid that would be the answer. Essentially, that means that northerners of any income will have their costs picked up, but people from areas such as Haliburton or Hastings who are poor are probably going to be held up and not be able to come.

Is the minister aware of two cases I will raise? One is a woman who had multiple stomach operations, who has been refused categorically any assistance with transportation. Another is a child of four years of age who, because of the intervention of the public health nurses in the Hastings area, finally made it to Toronto after a year and a half of requesting assistance from that county.

Does the minister not think that access to good medical care is the right of all of us in this province, whether we are rich or poor, and that he had better change the rules to make sure those people get access to that medical care?

**Hon. Mr. Sweeney:** I share the honourable member's concern about access to needed medical treatment. I will also share with him the fact that earlier this week I had a meeting with the organization representing the municipalities of Ontario. We have agreed we will begin immediately to launch a joint study on the range of funding sharing that currently exists between the municipalities and my ministry.

With respect to the elderly, to children's aid societies, to hostels, to that whole range, at present they are many and varied; but until we come to some resolution and rationalization of the multifaceted program now in place, I am not prepared to change one aspect of it.

I am prepared, however, to reconsider the whole range of social services with respect to our relationships with municipalities because we are concerned about the present discretionary measures. There are services that are simply not available in certain municipalities, and not only health services. Day care services, for example, are not available in 40 per cent of the municipalities in this province.

**Mr. R. F. Johnston:** This is health care.

**Hon. Mr. Sweeney:** I recognize that.

**Mr. Cousens:** The words sound good, but action is what is needed. I would like to ask one question because it is going to begin to open up in supplementary questions what the minister is going to do. Does he believe in equality of access and the rights of all people in this province to proper care and attention? If he does agree that he believes in equality, is he going to do something about it? "Yes, yes," would be a perfect answer.

**Hon. Mr. Sweeney:** Yes, yes.

## TRANSPORTATION PROGRAMS

**Mr. Pierce:** I have a question for my friend the Minister of Northern Development and Mines.

Now that the report of the previous member for Lake Nipigon, Jack Stokes, and his task force on a second Dash-8 aircraft for northwestern Ontario has been made public and people know this report recommends that the aircraft fly from Thunder Bay, Atikokan, Fort Frances, Kenora and Winnipeg, a route that was recommended by the previous Minister of Northern Affairs and agreed to by the Ontario Northland Transportation Commission, is the minister ready to tell the



people of northern Ontario that he is prepared to accept the recommendations of the task force and the ONTC so the people can gear up their operations—

**Mr. Speaker:** Order. The question has been asked.

**L'hon. M. Fontaine:** Ma réponse est non.

**Mr. Bernier:** I have to say that the response to that question is absolutely disgusting. The Premier (Mr. Peterson) might think of removing that man from his cabinet. The way he speaks of northern Ontario is just awful. As a northerner, I am ashamed of him.

I have a question to the same minister, but I know he will not answer it. Will he lay to rest the present rumours circulating across northern Ontario, and northwestern Ontario particularly, that this second Dash-8 aircraft, which the ONTC accepted last Thursday, will never fly in northwestern Ontario?

Will he also stop any discussion with Lab Air, Nova Air and Atlantic Air, which want to lease that aircraft and fly it in Nova Scotia? Ontario taxpayers' dollars bought that aircraft so it could fly in northern Ontario. He wants to put it in Nova Scotia. Will he stop that?

**3:10 p.m.**

**Hon. Mr. Fontaine:** It is with great pleasure I read last week in the newspaper that my honourable friend said we should have changed the name of the minister instead of changing the name of the ministry. I want to remind him that a change was made a few months ago: He lost his job and I am here.

About the other question the member just asked me, I would remind him to go and see his friend, his past campaign chairman, and ask him the question.

**Mr. Pouliot:** How refreshing to hear the name of the legend of Jack Stokes, such a man in his riding. I want to congratulate the minister for having had the inspiration to name Jack Stokes to head the commission on the Dash-8. He is such a good man that even the Tories—and I am getting to my question—appointed him as Speaker, and he was one of the best Speakers of the House.

I would like an answer from my good friend the Minister of Northern Development and Mines, whose intelligence I value greatly. I do not say that with tongue in cheek; I know the minister has an IQ of 140. Some people say it is 70 in French and 70 in English, but that is not true. Will the minister make the commitment now to implement the Dash-8 proposal of the

commission headed by Jack Stokes? Dites moi ça maintenant.

**Mr. Speaker:** That is a good question.

**Hon. Mr. Fontaine:** My staff at the Ontario Northland Transportation Commission are currently evaluating options for maintaining and improving air service in northern Ontario. The Stokes report is one of the major inputs, but not the only one. With regard to the second Dash-8 aircraft, it is my understanding norOntair will not have the two aircraft available for regular service until mid-1986 because the first aircraft has to go back to de Havilland for retrofit.

On top of that, once the routing is decided by my staff, licences will have to be obtained from the air transport committee. That will take six to eight months.

## GROCERY RETAILING

**Mr. Morin-Strom:** I have a question for the Minister of Consumer and Commercial Relations about corporate concentration in the retail grocery business in Ontario. The minister must be aware that A and P, which took over a 92-store chain of Dominion Stores earlier this year, has now announced it will be closing another 28 of these stores on top of eight previously announced to be closed.

It is now apparent that A and P does not intend to honour its original commitment to operate Dominion as a separate ongoing concern but instead is out to destroy this chain of stores, break the union with concession demands, eliminate price competition and take away consumers' choices as to where to shop. Will the minister take action to ensure that a combines investigation is initiated to examine the retail grocery business in Ontario?

**Hon. Mr. Kwinter:** I thank the honourable member for his question, but he said the magic words "combines investigation," which happens to be under federal jurisdiction.

**Mr. Morin-Strom:** This is an issue in this province which this minister should be taking some interest in on behalf of the consumers of this province. It is up to him to take action and initiate this investigation. In Sault Ste. Marie, A and P now controls seven of the 10 major grocery stores. It has announced its intention to shut down two and possibly three of these outlets, severely restricting consumers' options, especially for pensioners and low-income earners living in the downtown area—

**Mr. Speaker:** Question, please.

**Mr. Morin-Strom:**—without means of transportation, who are seeing their only available store being shut down. Is the minister satisfied there is fair and adequate competition in the grocery business in Sault Ste. Marie? If not, what is he going to do about it?

**Hon. Mr. Kwinter:** Whenever the consumer is threatened, I am not satisfied. However, the honourable member should know that certain things fall under my jurisdiction and certain things do not. In this area, I will be happy to convey his concerns to my federal counterpart, who does have jurisdiction.

**Mr. Runciman:** This is the second time this week that this minister, when asked a question in this House, has shrugged off responsibility by saying it is a federal matter.

This is of interest to consumers in this province, especially in the northern part of this province where there are very few grocery stores. We are concerned about what is happening in this area. Will the minister not indicate an interest in this subject and get involved, even if he has to go to the federal government—unlike the Minister of Industry, Trade and Technology (Mr. O'Neil)—and indicate there is a very serious concern in this province about that subject?

**Hon. Mr. Kwinter:** This is the second time I have had to shrug off a question because it is the second time I have had a question that has nothing to do with my ministry. If the member of the opposition would find out what this ministry does, I will be happy to answer the question for him. That is how it is done.

#### NOTICES OF DISSATISFACTION

**Mr. Pierce:** On a point of order, Mr. Speaker: Pursuant to standing order 28(a), I must express my displeasure at the response by the Minister of Northern Development and Mines (Mr. Fontaine) and ask that appropriate action be taken.

**Mr. Speaker:** I hope the member will give notice to the table and follow the usual procedure.

[Later]

**The Deputy Speaker:** Pursuant to standing order 28(b), the member for Rainy River has given notice of his dissatisfaction with the answer to his question by the Minister of Northern Development and Mines concerning air transportation in northern Ontario. This matter will be debated at 10:30 p.m.

Pursuant to standing order 28(b), the member for Welland-Thorold (Mr. Swart) has given notice of his dissatisfaction with the answer to his

question given by the Minister of Consumer and Commercial Relations (Mr. Kwinter) concerning an increase in insurance rates. This matter will also be debated at 10:30 p.m.

#### PETITION

##### FLOODING

**Mr. Wildman:** I am suffering from laryngitis, so if the members could be quiet I will read the petition.

"To the Honourable the Lieutenant Governor and the Legislative Assembly of Ontario and, in particular, the Honourable Vincent Kerrio, Minister of Natural Resources, and the Honourable Bernard Grandmaitre, Minister of Municipal Affairs:

"We, the undersigned, beg leave to petition the parliament of Ontario as follows:

"That the residents of Goulais River (an unorganized area), who have been adversely affected by the high water levels of Lake Superior, be eligible for the same technical and financial assistance as the residents of municipalities under the Shoreline Property Assistance Act."

This petition is signed by 29 residents of Goulais River.

#### REPORTS

##### STANDING COMMITTEE ON PUBLIC ACCOUNTS

Mr. Eves from the standing committee on public accounts reported the following resolution:

That supply in the following amount and to defray the expenses of the Office of the Provincial Auditor be granted to Her Majesty for the fiscal year ending March 31, 1986:

Administration of the Audit Act and statutory audits program, \$3,672,100.

##### STANDING COMMITTEE ON REGULATIONS AND PRIVATE BILLS

Mr. Callahan from the standing committee on regulations and private bills presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill Pr15, An Act respecting the City of North York.

Your committee begs to report the following bills without amendment:

Bill Pr27, An Act respecting the City of Sudbury;



Bill Pr39, An Act respecting Peterborough Racing Association Limited.

Motion agreed to.

3:20 p.m.

#### STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Mr. Ramsay from the standing committee on resources development reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Agriculture and Food be granted to Her Majesty for the fiscal year ending March 31, 1986:

Ministry administration program, \$12,380,600; agricultural marketing and standards program, \$20,319,200; agricultural technology, development and field services program, \$93,440,600; financial assistance to agriculture program, \$134,330,200;

That supply in the following supplementary amounts and to defray the expenses of the Ministry of Agriculture and Food be granted to Her Majesty for the fiscal year ending March 31, 1986:

Agricultural marketing and standards program, \$1,400,000; financial assistance to agriculture program, \$30,000,000.

#### INTRODUCTION OF BILLS

##### PROVINCIAL OFFENCES AMENDMENT ACT

Hon. Mr. Scott moved, seconded by Hon. Mr. Nixon, first reading of Bill 70, An Act to amend the Provincial Offences Act.

Motion agreed to.

**Hon. Mr. Scott:** I have introduced today amendments to the Provincial Offences Act that are designed to facilitate the implementation of new procedures for the prosecution of parking infractions under municipal bylaws and under provincial legislation.

The new procedures were enacted in 1979 as part II of the Provincial Offences Act, but part II was never proclaimed in force. The legislation has been long awaited by municipalities, and with the amendments I am introducing today, I hope the implementation process can begin.

The procedures are intended to simplify and expedite the prosecution of parking offences by using a system that is similar to one already used for other provincial offences. It is estimated the new system will result in savings to municipalities of more than \$10 million annually. For example, the new procedures will reduce the

number of trials needed by giving the defendant an opportunity to choose whether to dispute a charge.

In addition, the legislation will strengthen the enforcement mechanisms applicable to parking fines. In particular, renewal of an owner's vehicle permit will be refused if a parking fine remains unpaid after the time for payment, including any extensions of time, has expired.

Officials in the ministry have been consulting extensively with municipalities to ensure an orderly implementation. As a result of these discussions, it has come to our attention that a number of minor changes to the legislation will be necessary. The bill I am introducing today is intended to effect those changes.

Most of the amendments are of a technical nature. However, there is one amendment I would like to comment on specifically.

Under the new procedures, when a police officer or parking control officer places a parking infraction notice on a vehicle, the notice will usually indicate the bylaw that creates the parking infraction. However, in some municipalities there are a large number of parking bylaws, and it will ordinarily not be possible for the officer who writes the ticket to know at the time the number of the applicable bylaw. For example, different bylaws may apply to the same offence, depending on the location of the offence or the time it occurred.

To resolve the difficulty, the bill will permit a parking infraction notice to be completed without identifying the specific bylaw that creates the offence. However, it will still be necessary for the infraction notice to inform the defendant of the location of the offence as well as its nature.

As I have indicated, the main purpose of the bill is to facilitate the implementation of a simpler and more expeditious procedure that will entail these major savings for Ontario municipalities.

#### NON-SMOKERS' PROTECTION ACT

Mr. Sterling moved, seconded by Mr. Davis, first reading of Bill 71, An Act to protect the Public Health and Comfort and the Environment by prohibiting and controlling Smoking in Public Places.

Motion agreed to.

**Mr. Sterling:** The Non-Smokers' Protection Act, as it is known by its short title, prohibits smoking in indoor public places, in public vehicles and in certain areas of health facilities and authorizes the Lieutenant Governor in Council to prohibit smoking in the work place.

Provision is made for the designation of smoking areas in public places where to do so will not interfere with nonsmokers. Patients in health facilities are given the right to request a nonsmoking room. Municipalities are also authorized to pass nonsmoking bylaws.

#### TOWNSHIP OF HORNEPAYNE ACT

Mr. Wildman moved, seconded by Mr. Pouliot, first reading of Bill Pr29, An Act to continue the Corporation of the Township of Wicksteed under the Name of the Corporation of the Township of Hornepayne.

Motion agreed to.

#### TOWNSHIP OF OSGOODE CARE CENTRE ACT

Mr. Sterling moved, seconded by Mr. Davis, first reading of Bill Pr33, An Act respecting the Township of Osgoode Care Centre.

Motion agreed to.

#### POWERS OF ATTORNEY AMENDMENT ACT

Hon. Mr. Scott moved, seconded by Hon. Mr. Nixon, first reading of Bill 72, An Act to amend the Powers of Attorney Act.

Motion agreed to.

**Hon. Mr. Scott:** In 1979, the Legislative Assembly passed a Powers of Attorney Act, which for the first time permitted a person to give a power of attorney which would survive mental incapacity. As a result of that act, there have been some important legal questions raised about the efficacy of the legislation.

The bill is a short one, as honourable members will see, and the purpose of the amendments is to clarify the protection offered by section 3 of the present act and to assure it is available whenever the authority of the power has been terminated, revoked or has become invalid, and the person who has relied upon it has no knowledge of the termination, revocation or invalidity.

3:30 p.m.

#### MOTION TO SET ASIDE ORDINARY BUSINESS

Mr. Rae moved, seconded by Mr. McClellan, that pursuant to standing order 34(a), the ordinary business for Thursday, December 5, be set aside in order to debate the giveaway of de Havilland Aircraft of Canada Ltd. by the federal government to an American multinational, the complete failure of the provincial Liberal government to protect Ontario and Canadian inter-

ests, and the resulting threat to the Canadian aerospace industry and Canadian jobs which results from the complete absence of guarantees to jobs and to Canadian research and development.

**Mr. Speaker:** The notice of motion was received in time—in fact, at 9:20 a.m., December 5—and complies with standing order 34. I will listen to the honourable member for up to five minutes as well as to representatives from the other parties.

**Mr. Rae:** I appreciate the opportunity to say a few words with respect to this debate.

As Ontarians, we all recognized when the Mulroney government was elected that it was going to carry out certain commitments that had been made with respect to selling off crown corporations. This is a matter of personal interest to me because I was a member of the federal House in 1979, when the president of the Treasury Board at that time, Sinclair Stevens, announced that it was his policy to put a number of companies on the chopping block, and one of those companies was de Havilland.

I engaged in not simply a long series of correspondence but also a long series of meetings with officials of de Havilland. I think it is fair to say that, together with a number of other people, I had something to do with delaying the actions of the federal government, and indeed, because that government was defeated—again, an event I had something to do with—the future of de Havilland was saved and the company was maintained as a Canadian company.

Since 1979-80, the federal government has invested literally hundreds of millions of dollars in that crown corporation to develop the technology for the Dash plane. Most critical observers of the industry feel that having made as much investment as we have made and having gone through the period of the oil shock and the impact that had on the airline industry, with the change in the future of the airline industry and a revival of the prospect of sales for the Dash plane, de Havilland is on the verge of financial success.

Because of their ideological problems and hangups, the feds are determined to carry through with this sale at a fire-sale price to Boeing Co. of the United States. That deal obviously has to do with the federal government's commitment to free trade, with a part-and-parcel Americanization of the Canadian economy and with a determination by the Tory government in Ottawa that its response to events in the world is (a) to sell off crown assets at bargain-basement prices and (b) to do so to an



American company to protect the federal government's investment with respect to free trade.

The reason this motion is before us is that we have had the tragedy of not one government asleep at the switch, but two. First we had the Miller government, incapable of action, ideologically committed to the efforts of the Mulroney regime and totally silent on the question of what should happen to de Havilland. Now we have the Peterson government which, sad to say, has taken precisely the same position ideologically and politically.

Ideologically, the government of Ontario has never expressed opposition in any way, shape or form to the fire sale of de Havilland. That is a crying shame, because I think the majority of people in this province believe the government has a role to play in the economy and that simply selling things off at fire-sale prices is not in the best interests of the people of Ontario.

We also have a government which, for reasons I literally cannot understand, has not done the necessary work to protect Ontario's interests. The Premier (Mr. Peterson) has said, "It is a federal decision; there is nothing I can do about it." He has said, "I have written to Mr. Mulroney, and I have sat down and met him once." The Minister of Industry, Trade and Technology (Mr. O'Neil) has said, "I have met with Sinclair Stevens once."

**Hon. Mr. O'Neil:** Twice.

**Mr. Rae:** Sorry; twice—once before November 29. I say to the minister, as I said in question period, he has been taken to the cleaners by the federal government. The provincial government has been utterly naïve in its approach to the federal government and has failed entirely with respect to protecting Ontario jobs, Ontario interests, Ontario research and development and the future of the aerospace industry.

It is a sad day for Canada when the government in Ottawa announces it is selling off de Havilland to Boeing. We should look at the experience of the aerospace industry and the price we have paid for foreign ownership. First it was the Brits, who did nothing and bailed out; they said goodbye when Canadians, in wartime and peacetime, invested literally hundreds of thousands of jobs in that industry. We have been making planes for a very long time.

The federal government has sold us out, and the provincial government has been asleep at the switch. It is time this matter was debated in the House, because it is an urgent matter and one that must be faced up to today in the Legislature.

**Mr. Harris:** I am pleased to rise in support of the motion to set aside the ordinary business of this House to discuss a matter that is of grave concern not only to de Havilland workers but also to the people across the province. It is an urgent matter that requires the time of this House for two separate and very distinct reasons.

First and foremost, several thousand Ontario jobs are at stake; Canadian technology is at stake; an entire Canadian industry may be at risk, and a mammoth investment by Canadian taxpayers may be forgotten. Second, while not as important in those human terms, something that is relevant to the members of this House is the matter of the incompetence shown by the Liberal government in the handling of the entire affair.

The Premier used to take great delight in accusing the former Conservative government of being asleep at the switch on a number of occasions. If we were asleep at the switch, which I suggest we were not, then this government is in a coma; even if it were awake, it probably would not know where the switch was. The passive attitude of this Liberal government in standing up for Ontario and for Canadian interests is the most unfortunate part of all.

There is a long list of failures to recite. There is the government's failure to advocate Ontario's case emphatically enough, particularly with respect to the interests of Ontario workers and their need for some form of job guarantees. There is the complete failure on the part of this government to make any offer of assistance to potential Canadian purchasers, thus increasing the odds that this company would remain in Canadian hands. There is the failure to indicate publicly, in general terms, that the government of Ontario would be willing to offer assistance to potential Canadian purchasers and in what specific ways; had it done this, let alone thought about doing this, it is possible other companies might have been interested.

In addition, there is the government's failure to take any action whatsoever since the announcement on Tuesday, with ministers standing here day after day saying they did not know too much about it. We want to know why, after he knew from the federal minister that an announcement was imminent, the minister was not in Ottawa first thing Monday, speaking up for the people of Ontario and seeking the job guarantees and the other answers we want.

For that matter, why was the Premier not on a plane to Ottawa this past Monday morning trying to do everything he could to put a hold on this thing until he had some answers? I remember

hearing the Premier say during the last election campaign that within days of becoming Premier, he would be in Ottawa to meet with the Prime Minister and to speak for the people of Ontario. That looked good when the campaign was on and when the television cameras were running, but now, like so many other things, it has been forgotten. The Premier simply does not have the same kind of commitment when jobs are at stake instead of votes.

**3:40 p.m.**

Simply put, the Premier and the Minister of Industry, Trade and Technology were not in Ottawa on Friday or Monday, or at any time before or since, to speak up for the de Havilland workers, for Canadian technology and for the Canadian aerospace industry, because they have decided time after time, in the case of Hyundai, Petro-Canada, AMC and so on, that they simply cannot be bothered speaking up for Ontario jobs and for Ontario workers.

We in the Progressive Conservative Party believe this is important. It is an urgent matter. We believe it should and must be debated this afternoon. We will look forward to participating in this debate.

**Hon. Mr. Nixon:** Mr. Speaker, under the rules each party has five minutes to convey to you its views on whether the ordinary business, which is private members' business this afternoon, should be set aside and the debate should go forward. We have no objection to the debate going forward because we believe it is an important matter.

I hope you are not going to be influenced in your judgement by the fact that all the Conservative members, with the exception of four, left the chamber as soon as the matter came to your attention, sir. The member for York West (Mr. Leluk) is busily signing his Christmas cards. The member for Algoma-Manitoulin (Mr. Lane) is doing his duty, as he always does, and the House leader, who is paid extra, is here delivering one of his usual good speeches.

The rest of them, who were so concerned about this matter, must be feeling substantial embarrassment, because it is their political party, the Progressive Conservative Party, with a huge majority of 211 seats in the House of Commons, that has indicated that this company, which it wholly owns, should be sold to an American concern for the price of just one of the planes. Oh, oh, here they come. It seems to me it is a matter of importance. If we are going to have such a debate, one would think the opposition would at least be present.

I like the procedure very much when the House decides there is business more important than that which is regularly scheduled, so that matters of emergency, when they come along, can be debated. That is what the process is for. We have no objection to this at all.

I have a minor objection, I suppose, in that this five minutes, which is supposed to be used to give you advice, Mr. Speaker, on whether the ordinary business should be set aside and whether it is in order so the members can decide, is used usually, and has been used today once again, for the kind of argument that should be part of the debate itself. It is a minor matter, but I am a former schoolteacher and my thought processes are somewhat tunnelized and concretized. I do not apologize for that, but it would be a good thing if, under the rules, we were able simply to give you the advice you seek under the rules.

We feel it is a matter of urgent and public importance. I regret very much indeed that the government of Canada has taken this position. It is traditional for the Conservatives. They did the same thing back in the early days, when I was interested in public affairs, when they decided to cancel the Avro Arrow contract. It is very similar.

The situation in which the opposition parties are trying to lay this matter to rest at the door of the Minister of Industry, Trade and Technology is somewhat unfair. They know that minister is extremely dedicated and capable. He is working very hard indeed to negotiate for the furtherance of industry in this province.

I saw articles in the daily press yesterday and today, which have not been confirmed but which I trust and hope are true, that the Toyota corporation is going to locate a large new plant in this province. If the members think the minister and his staff have not been working hard on that, they are wrong.

After all, the matter that is before us today concerns a company that is owned 100 per cent by the government of Canada. They have taken a decision, without consultation with this province or anybody else, to sell it to an American concern. They indicated they would send us the details, but they never did. I am not sure why we should be responsible for that when the government of Canada must have the responsibility of keeping the provincial government informed.

The minister has indicated what he has done, and I have a good deal of confidence in his efforts in this regard. I want to say on behalf of my colleagues that we welcome the opportunity to



discuss the important matter, and we advise you, Mr. Speaker, to find that it is a suitable matter under the rules. For our side, if you do so find, we will not object to the ordinary business being set aside and the debate continuing until six o'clock.

**Mr. Speaker:** I have listened carefully to the three members who have spoken and it appears there is majority consent for the debate to continue. Therefore, the question to be decided is, shall the debate proceed?

Motion agreed to.

#### DE HAVILLAND AIRCRAFT OF CANADA

**Mr. Speaker:** The honourable member has up to 10 minutes.

**Mr. Mackenzie:** This is another sad time for our country. The clear message in the de Havilland deal is that Canada is up for sale. I think we should understand that right across this country.

What is happening to de Havilland now with respect to the sale to foreign interests should be tied into the dismantling of our national energy policy. It should be tied into the frantic sale of crown corporations—people's companies in this country. We should look at the announced cut of \$100 million or one half of the \$200-million budget of the nuclear research facility at Chalk River. It is very much involved in vital and basic research into such things as waste management, the safety of our nuclear reactors, medical research and pure and applied research.

If we look at all these moves, what we have is a very clear move towards privatization, a very clear signal to companies and the corporate world that Canada and everything in it are for sale. I think that is a tragedy.

There was a piece I dug up today when I was looking back at the Avro Arrow situation. There was a little comment: "Canadian governments have been shockingly capable of destroying enormous Canadian innovations and industries. Witness the destruction of the Avro Arrow plane by the Diefenbaker government and the dispersal of the men who created it to jobs in the United States. Witness the decision of the Trudeau government to buy a satellite off the shelf rather than build a satellite for Canadian needs here and with the expertise that we have in this particular field in Canada."

For the life of me, I cannot understand the blinkers we seem to have on. Unfortunately, all this is tied together very effectively by the move in the country today towards free trade.

I cannot believe it is accurate, but I heard that the Conservative Party here was thinking of moving a no-confidence motion on this matter. I am not sure whether that is just scuttlebutt around this House or whether it is accurate, but I have to tell the House that for the Conservatives to desire to move a no-confidence motion against the provincial government—and I hold no particular brief for it, for its lack of action to save de Havilland from the actions of the federal government, the Conservatives' own federal kissing cousins—would be hypocrisy of the top order.

I heard the leadoff speaker for the Conservatives on the question of whether we should have the debate talk about the incompetence of the government. It is hell to have to make a choice between simple incompetence and a deliberate sellout of this country and its resources, its industry and its research and development capacity. That is exactly what is happening.

Forgive me if I wonder about this party that wants to move on this particular issue against the actions of its federal kissing cousins.

Then I look in the paper and find out who the agent is for the federal government with respect to negotiating the sale of this industry of ours, de Havilland, to Boeing. Why, it is none other than Norm Atkins. Was he not the campaign manager of the member for St. Andrew-St. Patrick (Mr. Grossman)? It seems to me he was. We have to wonder at the absolute hypocrisy in this House.

**3:50 p.m.**

Forgive me if I point out that this deal has a \$155-million purchase price, of which \$90 million is cash less \$6 million for the completing of the deal. That is C\$90 million. For Boeing, in its dollars, it is only \$65 million. The \$65 million and 15-year notes can be avoided if Boeing directs \$325 million of new business into Canada. Right off the bat, it will get \$1 million for every \$5 million of business, if that happens.

In addition, from the federal government, they have the opportunity to receive \$40 million in export financial support; \$60 million to \$65 million in development support for the Dash-8; \$30 million in product liability insurance; \$400 million in tax losses carried forward; 50 per cent of future developments costs of de Havilland products, and maybe an additional \$110 million in equity injection. De Havilland was to receive \$260 million in equity this year; so far it has received only \$150 million.

Canadian taxpayers have invested about \$800 million in de Havilland. One has to wonder at the fact that they are likely to give as much as another

\$500 million in various incentives. What do we get for this? We get \$90 million in cash and no guarantees. All of the experts tell us that on the order books there is a potential of \$1 billion in orders right now.

Where are the guarantees of jobs for Canadian workers? They do not exist. Where are the guarantees to prevent out-sourcing of the work? What guarantee is there that the Dash will stay here and that we will not see it go? We have an order for 12 of the planes next door to the Boeing plant in Washington as it is.

What guarantee do we have that production will stay here and we will not end up with other, auxiliary production in this plant? There is no guarantee that the level of more than 80 per cent Canadian content will continue. Is there any letter to continue this content, to prevent the out-sourcing or to guarantee the jobs for Canadian workers? They are not in the agreement.

We have never made such a lousy deal in the history of this country. It ties together with what is going on. The bottom line of this is the bottom line of the entrance into the whole free trade talks, supported by both of the old parties, unfortunately. It is the kind of dismantling that is going on with the world-class facilities we have at Chalk River.

I read with interest that in the Arrow situation, when we got rid of the company and all the expertise that went with it, we had poured out about \$400 million of taxpayers' money. We have doubled the ante now. We will regret even more the sale of this firm to American sources than we did the dismantling of the Arrow operation and the expertise that went with it.

Some of the arguments about privatization do not hold water when one gets into the aircraft industry. How many private companies anywhere in the world are in the purchase of aircraft? There is none. The purchases are by governments around the world. It seems to me that one cannot argue against protecting one's national interest in this industry.

I sometimes get angry in this House and at times I know I can get a little bit shrill, but when are we going to stop giving away our resources, our expertise, our future, as we are doing in this case in particular? When are we going to get some honesty from the other two parties? They are both guilty of the kind of bottom-line privatization we are getting. Even more, when my colleagues next door tell us they are going to move a no-confidence motion on this item, are they moving it against their federal cousins? I sure as blazes have never seen them take a

position against moves to deprivatize and get rid of the crown corporation system and setup we have in this country.

It is long past the time that we said to the Canadian people that what we have in this country—our resources, our industry and our expertise—is going to be directed to the public good instead of to the corporate good. That is long overdue. If we do not do this, we are not going to have a country left.

I beg of this government to move in and take some action. There have to be more than one or even two, there have to be a dozen private investors who would consider a \$65-million price tag in Yankee cash on a firm that not only has the expertise but future potential, with \$1 billion of orders on the books. Surely to goodness and mercy, we are not going to give up this asset, which is owned by the Canadian people or at least in which the Canadian people have a very major stake, as far as what we have invested is concerned.

**Mr. Gillies:** I am pleased to join this debate on behalf of my party and to put on the record some of our thoughts about the occurrence with de Havilland Aircraft of Canada Ltd., its sale to an American company, the absolute lack of commitment and the absolute inability of the current Ontario government to have any meaningful input into this sale whatsoever or to do anything to protect Ontario jobs.

**Hon. Mr. Kerrio:** How can the member separate that from Mulroney? Mulroney is selling it out.

**Mr. Gillies:** Perhaps the member for Niagara Falls (Mr. Kerrio) would close his mouth and open his ears for a change.

**Mr. Mackenzie:** I cannot believe the hypocrisy about protecting jobs.

**Mr. Gillies:** I hear the member for Hamilton East speak of hypocrisy. I look forward indeed, when my leader moves no confidence in this incompetent government on the issue of de Havilland, to seeing the member for Hamilton East and his colleagues vote for that motion of no confidence; or are they going to vote to prop up their cousins across the way?

The members of the third party are paying dearly now for their posturing in June. I do not think I have ever seen more red faces down the way than I am seeing now. When this House votes on the motion of no confidence that my leader will be moving, there will be a few people eating crow down the road here, and I look forward to it.



This sale shows an absolute inability of the incumbent government to get any sort of handle on industrial issues or job issues in this province. We saw a performance today through 60 minutes of question period of the most embarrassing incompetence we have witnessed in this House for many a month. We saw any number of ministers get up mumbling, showing the incompetent arrogance that is becoming their trademark. But nowhere was that incompetence more evident than in the handling or lack of handling by this government of the de Havilland issue, in the complete inability of this government to get a handle on the industrial sector and the protection of jobs in Ontario.

I would like to know what has happened to the Liberal Party in Ontario since 1982, when no member of this assembly had more to say or expressed more anger about the sale of White Farm Equipment Canada Ltd. in Brantford to an American interest than did the current Treasurer (Mr. Nixon). I would like to quote from something he said in this House in 1982 when, in questioning the then Treasurer of the province, the member for Muskoka (Mr. F. S. Miller), about industrial programs and budgetary programs, the current Treasurer said:

"Mr. Speaker, when the Treasurer is considering this array of new programs, will he come up with one that will emphasize not only the Canadian content but also the Canadian ownership of our manufacturing enterprises so that his colleague the Minister of Industry and Trade will leave off his consideration to allow the sale of White Farm Equipment in Brantford to American interests? In the long run, that would see the loss of that industry and 1,000 jobs as well as our rights to the manufacture of the axial-flow combine, which was developed by Canadians in Canada."

I would like to know what has happened to the party that is sitting in the government benches now, which felt it was so wrong for a Canadian company and Canadian technology to be sold to the Americans in a company that later was liquidated—under Canadian ownership, granted, and that is another issue.

What has happened to them since they moved on to the benches of the government? That was so appalling, so negligent and so completely not in the interests of Ontario workers, but suddenly in 1985 what do we see? We have had question after question to the Minister of Industry, Trade and Technology (Mr. O'Neil) about what input he was able to have, what he was able to do in

Ottawa, what offers the Ontario government put on the table.

What were they able to do? They washed their hands of it. The litany of answers has been nothing short of embarrassing: "We do not have the information yet. We are waiting for it to come from Ottawa. We were not really involved in that." "I had one meeting with the other Canadian interests, but my ministry was handling a lot of it," or, "We were working night and day on it."

**4 p.m.**

At a time when 4,400 Ontario jobs were jeopardized, at a time when a technology and product of which this country and this province can be proud were on the auction block, it is very apparent our green, new Ontario government sat back, absolutely incapable of action or of acting on behalf of the Ontario workers. What a sorry litany. What a sorry day that within so few months of moving on to the government benches, the government is paralysed into inaction on such a fundamental issue.

In recent days, on issues of industry and jobs, we have seen just embarrassment. Government members should be as red as their ties. The other day when we were questioning the commitment of this government to put up loan guarantees, grants or any other mechanism that might have allowed this company to stay in Canadian hands, I heard the Premier of Ontario (Mr. Peterson) say, "We do not want to get into that stuff because commitments made to other industries by the former government, such as Massey-Ferguson, were embarrassing."

I do not mind telling you, Mr. Speaker, they are loving that down in Brantford, that the Premier of this province would say a commitment of loans and guarantees to keep a company at that time employing some 4,000 people in Brant county working, a deal that was successfully put together by the previous federal and provincial governments, and that company continues to operate in my riding—

**Hon. Mr. O'Neil:** It is not operating now. It is almost closed down.

**Mr. Gillies:** The company is still there.

**Mr. Harris:** Is the minister proud of that?

**Hon. Mr. O'Neil:** No, I am not.

**The Deputy Speaker:** Order. Will the member for Nipissing (Mr. Harris) and the Minister of Industry, Trade and Technology please stop their interruptions.

**Mr. Gillies:** They are just loving it in Brantford to hear the Premier of Ontario say a commitment and a deal put together to keep a

Canadian company such as Massey-Ferguson operating was embarrassing.

What the heck has happened over there with the government of Ontario? They are just crowing. They are just waiting for the day they can announce Toyota is coming to Ontario. I hope it is. We all hope it is. What the heck is happening over there? What is the mindset that the government would put \$30 million up to try to attract 1,800 jobs into Ontario at Toyota? Great, I support it. I am glad it will, but why is there no commitment in this case?

Why would the government not put anything on the table to talk to Ringate or anybody else to try to protect 4,400 jobs? Why does this government have so little clout and influence in Ottawa that it cannot even get its hands on a copy of the contract to see whether there are going to be job guarantees for these 4,400 people? If there is embarrassment in this House, the members of the governing party should be feeling it. If there is hypocrisy in this House, it is being spouted by the members of the governing party in their complete inability to come to grips with these issues.

In recent weeks, the members of this party and the members of the New Democratic Party have raised the issue of plant closures. We raised the closure of White Farm Equipment. Do the government members remember that one? The Ontario government at that time was not afraid to make a commitment of loans and guarantees to White Farm Equipment. I wonder whether this government would have; I suspect it would not have.

We have heard about layoffs in Chatham at International Harvester, layoffs in my home town of Brantford at Massey-Ferguson, layoffs at Inco, layoffs, layoffs, layoffs, and we have not had one answer or one concrete piece of action from this government to do anything to protect jobs in Ontario. I think it is a pretty sorry spectacle.

There are areas in the government where I will say—and we are going to be into the Ministry of Labour estimates soon—there are a few things the government is doing right, and I will give it credit for it. However, in the most fundamental issue to face the nine million people of this province, the question of jobs, security, layoffs and plant closures, there are no answers over there. They do not have a handle on it. De Havilland is the most dramatic example of that, but it is only one example.

The government does not have a handle on it. It does not have an industrial strategy or any of

the answers or the kind of guts or commitment it might take to put guarantees on the table, to put grants and loans on the table, to keep Canadian industry Canadian and to attract new industry into our province.

I am not ashamed or embarrassed to be a member of the opposition. Those guys entered into an arrangement in June, and I do not have any problem with that. I will do my job as an opposition member and I will do it with pleasure and pride. However, I have to tell them that if they want to win any respect over here, and if they want to win any respect with the people of Ontario, they have to start doing something about Canadian industry and jobs. They should have started with de Havilland and they were completely incapable of doing the job.

**Mr. Cordiano:** I rise to speak on this very important issue. It is of fundamental importance to the many people in and around the Metro Toronto region and the surrounding areas who work at de Havilland Aircraft of Canada Ltd.

I want to mention something that I think has been misunderstood from the beginning. I do not think this Minister of Industry, Trade and Technology is accountable or responsible for the mishandling of the sale of de Havilland by the federal government. There is absolutely no way in which he is responsible for mishandling the sale of that company.

I want to make clear the position of this government and what it has done to ensure the jobs at that company are maintained and to maintain security for those workers over a longer period of time. I want to point out some of the actions we took.

Before I do that, I want to mention what the last government did and the actions it took with regard to de Havilland. Going back to 1981, de Havilland explored the possibility of provincial assistance in the areas of direct financial aid for a number of capital projects such as the five-axis numerically controlled milling machine with associated computer-aided design and computer-aided manufacturing hardware and software. What did the Conservative government do? Nothing. Again, de Havilland requested direct financial assistance in new aircraft development. What did that government do? Absolutely nothing.

**Mr. Davis:** The Liberals have done nothing.

**Mr. Cordiano:** I am just going through it for the record to show what the former government did. I have some more goodies.

The Conservative government was asked to give some concessional financing assistance to



aid sales in the domestic market to meet offshore competition from Brazil and other countries. What did that government do? Nothing. That is the record of the former government's performance in its consideration for de Havilland. That is the concern that government had during the last four years before we took office.

I want to point out the concerns and the position we took with regard to the de Havilland sale and before it was sold—the position we forwarded to the federal government.

The federal government has indicated that the decision will maximize jobs and job security for de Havilland employees and will ensure maintenance of the ongoing viability of the firm. I am very disappointed in the sale. I am speaking as an individual member. I do not think it was sold for the value it is worth. As I expressed it earlier, I think the federal government mishandled the entire sale and I am deeply concerned about it.

Let me go into some of the things we expressed as a government and some of the things I was privy to during this whole period of time.

We were concerned about the loss of Canadian ownership. We were concerned about the final selling price. We expressed that concern. The federal government has poured quite a number of tax dollars into the firm, something like \$240 million in 1984 alone. I am not convinced this is the best return for the taxpayers' dollars.

#### 4:10 p.m.

On August 16, 1985, the provincial government outlined four major factors that it considered to be of paramount importance with regard to the possible sale of de Havilland. They included the preservation or expansion of employment levels at the Downsview plant; second, the preservation or expansion of the existing engineering, design, and research and development staff and operations, which are essential to the long-term development of the Canadian aerospace industry; third, maintenance of an integrated airframe manufacturing and assembly operation, which provides superior benefits to a parts production facility; and, last, the benefits of retaining a Canadian interest in the company, preferably Canadian control.

In the interim, the Premier and the Minister of Industry, Trade and Technology continued on numerous occasions to present Ontario's concerns to the federal government. These have been outlined by the minister today. The Premier and the minister made personal presentations to the Prime Minister and the federal minister responsible.

When the province became concerned that the Canadian-owned firms were not being given a complete hearing in Ottawa, we lobbied aggressively for their bids to be reviewed fairly. Furthermore, the provincial government requested the opportunity to review the Boeing proposal and to provide comments and recommendations from the provincial perspective.

The federal government has now made its decision, and as I said earlier, we are concerned that no firm job guarantees have been secured. We are also concerned about the apparent lack of a coherent federal high-technology strategy in the key aerospace sector. That is something the federal government does not seem to be concerned about or willing to move on. The sale does not appear to be part of a co-ordinated approach to developing our high-technology industries.

We also are concerned that this important Canadian company was sold at a value that does not fully reflect its importance to our economy. I am not convinced, and I know most of the members on this side of the House are not convinced, that this deal represents the best return for Canadian taxpayers' dollars, and I would repeat that because it very important.

It is very pertinent to the argument to note that the federal government had sole access to the financial and commercial information related to the proposals put forward, because from that came the final decision which rested with the federal government. Frankly, they had 100 per cent ownership in the company and decided to sell it.

The federal government indicated this agreement provided the best opportunity to maximize present and future employment levels at de Havilland, but that remains to be seen. However, the government of Ontario, and I know my colleagues will agree with me on this, will certainly monitor the situation to make sure progress is made and job security is maintained.

It was a bad deal. De Havilland was sold for far less than its true value reflected in the deal. However, I just wanted to express the thought that this minister did not act in an improper manner. He was treated unfairly in this House today because, as he has documented on a number of occasions, we have expressed our deep concern about the sale of de Havilland and we presented our case to the federal government.

That was reiterated time and again. On numerous occasions we met with the individuals who were concerned about the deal and we presented an absolutely valid case to the federal government. We obtained a hearing for some of

the other companies interested in the sale and I believe the minister acted in the best interests of this province. Perhaps the federal government had its eye on Boeing from the beginning and was prepared to consider only Boeing—we did not know about that—but notwithstanding the fact that Boeing was chosen, those companies were prepared to go ahead and we made sure they were given an opportunity to present their case. Frankly, I would like to say that I think the minister has done a great job, a good effort.

**Mr. Philip:** As a member of the provincial parliament representing a riding where many of the de Havilland workers live, I am incensed at the obvious sellout of the jobs of the people living in my riding. As a Canadian, I am incensed that the only fully integrated aircraft and aerospace company in Canada is going to be sold to foreign interests at a time when the Canadian aerospace industry is already 50 per cent foreign-owned.

As a taxpayer, I am incensed at the complete and utter giveaway of tax dollars to this foreign-based company: \$40 million in export financial support; \$60 million to \$65 million in development support for the Dash-8; \$30 million in product liability insurance; \$400 million in tax losses carried forward; 50 per cent future development costs of de Havilland products, and maybe an additional \$110 million in equity injection. The taxpayers of Ontario are losing on this deal. What do we get in return for all this money that is being given away? We get \$90 million in cash with no guarantees.

The costs to the taxpayers which I just listed, are the tip of the iceberg. The real major costs in the future will be the costs of rebuilding the aerospace industry once it is gone. No aerospace industry exists in any democratic country in the western world without some kind of government assistance. We, as Canadians, are going to be faced with rebuilding that industry as a result of the federal government's actions. We will be rebuilding it at a considerable cost, more than it cost to build in the first place.

Every time the Conservatives get into office federally, they try to cripple the Canadian aerospace industry. In 1979, we saw Sinclair Stevens announce his intention to sell off de Havilland. Fortunately he was not in office long enough to get away with it. Under Diefenbaker, the Tories successfully killed the aerospace industry in this country and we paid to rebuild it. Last fall, when Stevens made his plans public about selling de Havilland, we asked the Tories here in Ontario what they were prepared to do. They said, "Absolutely nothing."

I know, in a very personal way, the ups and downs of the aircraft industry. I know both the financial and the emotional pressures that my father and his co-workers faced some 20 years ago when the Conservatives last destroyed the aerospace industry. I know what it was like around the dinner table as we talked about the fact that maybe we would have to become Americans so my father could carry on his trade.

When I met with the workers from de Havilland, as we demonstrated and talked in front of the Conservative Party headquarters in downtown Toronto, I saw that same concern and those same problems. Those same discussions will be held at the tables of the people who are faced with the same problem in my constituency. I know the anguish that we faced as a family and I saw that same anguish on their faces today.

This deal does nothing for the employees of de Havilland. There are no guarantees pertaining to jobs of Canadian workers, to prevent outsourcing of their work or to continue the 80-plus Canadian content.

When the employees requested a meeting with the president of the Canadian Imperial Bank of Commerce to discuss the de Havilland sale more than three months ago, no meeting was granted to them. When they requested, by telephone, a meeting with the Minister of Regional Industrial Expansion, and when finally Bob White sent him a telegram, they still received no meeting, not even the courtesy of a return call. The arrogance of the federal Tory government knows no limits.

**4:20 p.m.**

Similarly, the provincial government has failed to show any leadership. Anyone who knows the rigid ideological position of Sinclair Stevens and the Conservative Party could have realized he was not just posturing when he announced he was going to sell off de Havilland. Yet when we asked the Liberals today what they had done in the interval, we found absolutely no sign of any kind of leadership on their part to tell the federal government exactly what they would do or what the provincial Liberal government position would be on that issue. Instead, we have this last-minute pleading of conscience that they want the federal government to do something. Where were they all the time when they knew perfectly well that the federal Conservatives, under Sinclair's leadership, would govern not by common sense or by business sense but by the narrow ideology that is facing us today and that faces the workers at de Havilland?

The company's assurance to honour the collective agreement is simply a reiteration of the



Labour Relations Act, at least until June 1987. Can anyone believe that in the interim or on a long-term basis, with Mulroney's commitment to free trade, the 3,400 jobs at de Havilland are somehow secured? If Mulroney wants us into free trade with the United States, what motivation would there be for the leadership of Boeing not to consolidate operations and therefore to maximize its profits?

On November 2, 1984, the member for St. Andrew-St. Patrick, then the Treasurer and now the leader of the provincial Conservative Party, failed miserably when we New Democrats asked him what he would do to save de Havilland. He failed miserably to respond; he had no answers. To find out the position of the Premier at the time, we have only to read the headline, "Miller Backs Fed Bailout." The story under that headline goes on to say how the then Premier clearly backed the Conservative government in Ottawa in its sellout of the jobs and of a major industry in this province.

The Premier and the Minister of Industry, Trade and Technology have allowed themselves to be completely outmanipulated by people whose very actions we could have predicted and even the newspapers were predicting. They sat back and did little or nothing. Motivated by a blind, rigid ideology, as rigid as that of the former Premier, who similarly wanted to do nothing or even wanted to help the federal Conservatives sell it off, the Premier and the Treasurer of the present Liberal government in Ontario were as incapable of moving on pragmatic grounds to save the jobs at de Havilland as the former Premier and Treasurer were incapable of moving for ideological reasons.

We understand a memorandum of understanding has been signed. It is very difficult to find out exactly what has been signed since the Premier cannot seem to get the information out of the federal government. We in the New Democratic Party call on the Premier to show some leadership and to present some concrete proposals and alternatives. We call on him to stand up to the Prime Minister of Canada and say, "The contract has not yet been signed; do not sign it."

I plead with the Conservatives in this House to stop playing politics with the lives of my constituents and of the people in de Havilland and instead to tell their federal leader that he has made a mistake and that, just as he was capable of doing a flip-flop on behalf of the seniors in Canada, he is capable of doing a flip-flop on this issue. He is capable of refusing to sign that contract.

If the members to my right want to do something constructive, they will not play games with silly no-confidence motions on a problem that was created by their federal counterparts. They will go to their Prime Minister and say: "Mulroney, you are wrong on this issue just as you were on the pension issue. Cut it out, stop it, while we still have a chance."

I plead with the Premier to show some leadership. I also plead with the Conservatives in this House to stop posturing and to do something constructive.

**Interjection.**

**Mr. Deputy Speaker:** Order. In this debate the government comes last in the order. It is a reverse rotation.

**Mr. Cousens:** I was hoping the minister was going to stay for a moment because I wanted to compliment him on being a nice person. I have always considered the member for Quinte (Mr. O'Neil) an honourable gentleman. I am sorry he has caught himself in this very difficult dilemma and is the object of such heavy criticism from the member for Etobicoke (Mr. Philip) and the members of the third party, as well as from the member for Brantford (Mr. Gillies), the member for York Centre (Mr. Cousens) and all members of this House who are thinking about what is happening, including the leader of our party.

**Mr. Breaugh:** The member almost forgot him.

**Mr. Cousens:** The leader of our party puts everybody else first.

May I come back to the important subject before us? I am very concerned about what has happened. I have always been proud to be a Canadian. I believe we have an environment for business to survive and to thrive in. A very important role of government in that process is to make it happen, to let there be that environment for business to interact correctly with government.

It is a good decision by our federal government to say goodbye to de Havilland, only in the sense that it is allowing that crown corporation to be bought off and to be developed and worked with.

**Mr. Mancini:** That is not the position of the member's leader.

**Mr. Cousens:** The member for Essex South should control his lips. He cannot work with his brain, so he works with his lips.

**The Deputy Speaker:** Order.

**Mr. Breaugh:** What a lot of class.

**Mr. Cousens:** It takes one to bring it out in me.

I believe the government of Canada in its wisdom, and truly it has some wisdom in saying it wants to dispense with a crown corporation, is doing the right thing, but it is not doing the right thing without considering the needs of the people of Ontario.

Ontario has an opportunity here to build further on a Canadian industry, to allow that industry to represent something our whole country can be proud of. Within this area we have the manufacturing sector; within this area we have the people to build and produce products that can serve not only Canada but also the whole world. The de Havilland company with its products, the Dash-7 and now the Dash-8, had the potential of becoming one of those great Canadian corporations.

I do not like to draw out all the parallels that exist with Sweden, but there are some. That country of eight million to 10 million people has been able to produce its own supersonic jets, which is quite an amazing thing. A country that has two thriving automobile manufacturers and its own armament manufacturers—

**Mr. Rae:** It is amazing what a good Social Democratic government can do.

**Mr. Cousens:** There is something in it. I would like to bring out the ingredients of that Social Democratic government that pertain to our government and to our jurisdiction, but not all of them.

The Conservatives maintain a social conscience balanced with a conscience to see business thrive and survive. This sellout of de Havilland to Boeing undermines very much of what is a thriving Canadian industry that is about to expand and build even more for the potential of our province.

Some people are looking at only one or two aspects of the issue, which has many more dimensions to it, having to do with the way in which the government has dealt with this. They have not been informed and they have not been working with their federal counterparts.

It came up in the House today that the minister himself has had only two discussions with staff in Ottawa about this matter, and those were back in August. He has not been working in the best interests of this province. Maybe he should take only a day's pay for the length of time he has been holding down that job, because there are an awful lot of other things he could have been doing to stay on top of this.

He could have taken trips to Ottawa. He could have been in touch with Mr. Boggs, the president of de Havilland. He could have been talking to

Brian Mulroney. He could have been talking to Sinclair Stevens. He could have had many staff involved in this, working with Canadian counterparts who possibly could take over this corporation.

**4:30 p.m.**

I am concerned that we are saying goodbye, not only to a corporation that has Canadian roots but also to the jobs of the 6,500 or so people who are employed there and who are part of our Canadian environment. We are saying goodbye to technology that is the very basis of our country's future.

We have intelligence, which we have to apply to our manufacturing sector. In de Havilland, we have an example of how this could be done; but now we are seeing it disappear into the bowels of a large American corporation just when it was ready to expand on its own merit.

Newspapers tell a beautiful story of how de Havilland has been reversing itself; it has been coming along with great sales. Now those sales do not mean a thing. We as Canadians must be concerned; we want to see something happen.

I am concerned that we are saying goodbye to another corporation. Which one will be next? We, as Canadians, have to work together. Our counterparts in Ottawa surely want to do this, but we must do it in a responsible and intelligent way by letting them know the concerns of Ontario and by sitting down to negotiate with them. That kind of dialogue can take place when politics really works, as it did until recently, but obviously this government does not know how to do that.

For once, it would seem that on this side of the House, we and the third party are in agreement on what has happened. The third party might go even further than we do, but we are concerned at the failure of the government to interpret the situation correctly and to respond in a way that would protect the rights and needs of the people of Ontario.

Where do we go from here? Do we sit back and take it quietly? I do not think we can. This could be the tip of an iceberg of further inroads that are going to be made by American companies, which are good corporate citizens and which make a great contribution, but not when we have a thriving Canadian corporation. That is the difference.

I would not want for a moment to be construed as anti-American. When one looks at the corporations in this country that are American-owned, one sees they have Canadians running them and they are doing a worthwhile and beneficial job. They are good corporate citizens.



However, what I see here is an industry that could be uniquely Canadian, one that developed an airplane that can take off and land in short distances, which is why the province just bought two more models. Those are the reasons we should keep it here.

There should be guarantees that there is going to be continuing investment in research and development and in giving our own people who graduate from universities of great renown a place to go. Who knows what will happen three, five or eight years from now? I would rather see a continuation of this company with Canadian roots than see it disappear totally, which could happen.

As we stand here today and take part in this very serious debate, I see an injustice being done to the small people of Ontario. I see a failure on the part of our own minister and that of the government of this province in not having been able to respond in an intelligent and meaningful way so that we were able to retain the control and the rights to the technology as well as the people and future of this great company.

I worry greatly about what is going to happen next. Where else will there be failure? To me, what we see today is the beginning of the end. How else will the government contribute to that end? I hope it can be a lesson, but who knows whether we can learn from it; it is such a serious lesson for the province.

There is still time for our minister to become involved. There is still time for the government of Canada to look at this again. Maybe the Minister of Industry, Trade and Technology in his wisdom could get back to Ottawa to see if there is any way of reversing this process, or of getting guarantees to protect the Canadians who are involved in this industry and all the support companies that are related to de Havilland.

**Mr. Mancini:** I am pleased to participate in this emergency debate. I think it is an excellent opportunity for members from all sides of the House to speak to this very important issue, which involves 4,400 jobs at present and which may involve the future of the industry at de Havilland and at other places, as we now know it, in this great province.

I sat most of the afternoon and listened to the comments made by the Progressive Conservative members of this assembly. After having listened to them for most of the afternoon, I have concluded that they have completely severed their ties with the Progressive Conservative government in Ottawa.

They have stated over and over again today that what the government of Canada and their national leader have done is wrong. They have stated over and over again today that what the government of Canada and their national leader have done is nothing short of giving away a huge portion of the aerospace industry for peanuts, \$155 million, the cost of one jumbo jet without spare parts. Their national leader has done this.

We have tried to work with their national leader. The Minister of Industry, Trade and Technology has tried to work with Sinclair Stevens. His deputy minister and senior officials have tried to work with the officials in Ottawa.

The Premier sent a very lengthy letter to the Prime Minister of Canada some time ago. He stated in the letter four prerequisites for the sale of de Havilland. He preferred that the sale take place to a company that was wholly, or at least partially, Canadian-owned. He preferred that the sale guarantee the jobs of the people at de Havilland. He preferred that the research and development that has taken place at de Havilland continue, and he preferred that the technology we have put in place here in Canada not be shipped south of the border.

The Premier has stated very clearly what he wanted done with de Havilland. It is unfortunate that the government of Canada chose not to listen. It is unfortunate that the minister in Ottawa, Sinclair Stevens, chose not to listen to our Minister of Industry, Trade and Technology.

I want to refer back to some of the promises made by Mr. Mulroney. Over and over again, he talked about co-operation, consultation, making sure that when major decisions were made, the people affected would be consulted—

**Mr. Ferraro:** A sacred trust.

**Mr. Mancini:** A sacred trust. Those were the words that he used. We asked personally, we asked over the phone and we asked by mail that we be consulted and asked our opinion and that we be part of the process on the matter of de Havilland. We got the back of the hand from Brian Mulroney. He did not necessarily give the Liberals the back of his hand; he gave all of us the back of his hand. He gave nine million people in this province the back of his hand—arrogance beyond belief.

We have said, over and over again, that we wish to co-operate with the government. The minister mentioned his involvement with the firm Rimgate. I read an article in today's paper quoting a senior official from Rimgate. He stated—I will try to paraphrase what he said—that initially the people in Ottawa treated them with

some tolerance; later on down the line they treated them as if they were an irritant.

**4:40 p.m.**

That is how they treated the major firm that was in place trying to put together a team to take over de Havilland, and that team was probably going to be majority Canadian-owned. The government of Canada treated them as an irritant. Those are the facts.

We cannot run the national government of Canada for the Progressive Conservative government in place now. We cannot extract from them information which they choose not to share with the people of this province. We have no other means—

**The Acting Speaker (Mr. Morin):** Please address the chair.

**Mr. Mancini:** But, Mr. Speaker, those people are so much better-looking than you are.

I want to tell the members of the House that we have tried to persuade the government of Canada to work with us, and that in fact it was in the interests of the people of this province that they share the information with us and work with us. I am told there are approximately 70 Conservative federal MPs representing Ontario in Ottawa, and I have come to the conclusion the only way to get Mr. Mulroney's attention is to defeat Conservative MPs.

I have been told today there has been a motion of no confidence placed by the Conservative Party, the official opposition, hoping of course that an election would be called immediately; hoping for its own devastation, I guess; hoping that we could immediately go out on the hustings to debate this issue. Do those people want to have an election on what the government of Canada is doing? Do they now want to have a referendum on how popular Mr. Mulroney is?

I would love to join them. I would love to go to the hustings tomorrow and explain to the people in my constituency and have my colleagues do the same in their constituencies as to the co-operation we receive from the government of Canada. A Tory is a Tory is a Tory.

Interjection.

**Mr. Mancini:** The member for Durham West (Mr. Ashe) said something about Avro. We could win 125 seats just by walking around and saying, "Avro."

**Mr. Ashe:** You are hearing things.

**Mr. Mancini:** Every time those people have had a chance to imprint national policy on this nation, they have tried to sell our major industries. I want to tell members the kind of

experience I had with the former government. When I had problems in my constituency over firms closing, over assistance needed, I got the same back of the hand we are now getting from the government of Canada.

I personally went out and sought investors for a firm, a very important firm that was in bankruptcy in my constituency. Could I get any help from them, after sending a letter to the former Minister of Industry and Trade saying, "Help me out. I am going out on my own but I need your help"? Nothing; not a whisper.

Did we have any assistance from these people? The hypocrisy we have seen today—

**Mr. Brandt:** Mr. Speaker, on a point of privilege: I wonder if the member would make it clear which ministry he is talking about, since I was the former Minister of Industry and Trade and I never received a letter from this member with respect to any assistance he may have required. If it is another minister, then I cannot speak for him. I wish he would be a little more specific. He is drowning us in generalities. Let him speak specifically to the bill, and let me know if I was the minister.

**Mr. Mancini:** First, we are not debating a bill. Second—

**Mr. Brandt:** I know what we are debating.

**Mr. Mancini:** That is very important in the Legislature. One should know whether one is debating a bill or not. Second, no, he was not the minister. Certainly, he is off the hook on this one, but his role in the Environment ministry puts him on the hook for other things.

**The Acting Speaker:** The member's time has expired.

**Mr. Mancini:** Since I was interrupted as I was finishing, I want to say in conclusion that we tried to co-operate with the government of Canada. It refused to co-operate with us and the people will judge for themselves.

**The Acting Speaker:** Order. Your time is up.

**Mr. Morin-Strom:** I am pleased to be able to speak in this important emergency debate. An important issue faces the province of Ontario and the government of Canada, and it is this: Who is to represent the workers of this province? By selling de Havilland to the Boeing Co. Inc., the federal government has again shown its abandonment of the concerns of Canadian workers.

Generally, this reflects an attitude of subservience by the federal government to American interests. It is reflected in its attitude to the free trade debate, in its economic policy and in its lack of any ideas about what Canada can do to



have an industrial strategy and to do something about the economy of this province. We have a government run by a Prime Minister whose experience is as president of a subsidiary of an American corporation. I think that branch-plant mentality is reflected in the action that has been taken on this issue and in the action that apparently is in process on the issue of free trade and Canada's economic future.

In this sale, we see some 4,400 jobs in Ontario put at risk through arbitrary decisions by corporate ownership in the United States. We are giving up control of this operation, not only in the sense of its being under the control of the public through our government, but more important, through giving up control by letting this interest go into foreign hands. There should at least have been guarantees that in the sale of public corporations they would remain Canadian-owned. I would hope that any government in this country would make it a high priority to ensure that it did not divest itself of any operating concern in favour of ownership outside this country.

I hope the Liberals will take action on the similar issues they are facing that they have already indicated they are looking at, such as the selling of Suncor and the Can-Car operation. Those operations, which are fully the responsibility of the provincial government, apparently are on the block. I find it the height of hypocrisy for them to express concern about the de Havilland situation when they are contemplating selling off operations, particularly if it turns out that those operations are to be sold to American interests. I encourage them to insist that those operations remain in Canadian hands and that otherwise no sale of those operations will go forward.

As well, I find a sense of hypocrisy when my colleagues to the right in the provincial Conservative Party argue from a point of view that is diametrically opposite to the actions of their federal counterparts on this important Canadian issue. I do not see how they can possibly claim to represent the interests of Ontario when one sees the federal government selling out not only the interests of Ontario but also the interests of the whole country.

**4:50 p.m.**

Where are the job guarantees in this arrangement? I would have thought our provincial government would have been more involved in the negotiations and certainly insisted that it be able to act in conjunction with Canadian interests in developing a proposal that would reflect

Canadian ownership of this operation in the future. I think the provincial government had a role to play in which it has been negligent and that it could have participated more actively.

I would also like to express concern about where both this provincial government and the federal government are going in the free trade debate. There are workers in this province whose jobs are at risk because of the potential that many operations will be sold from Canadian interests to American interests. We have a serious risk here of a branch-plant economy, and this risk is being compounded in the aerospace industry with another industry moving towards becoming an element of this branch-plant economy. That whole element of our economy is severely at risk under the proposed free trade negotiations.

A recent study done by a professor from the Illinois Institute of Technology and just recently released by the Ministry of Industry, Trade and Technology indicates quite clearly that one of the most severe risks that Canada faces is a loss of those branch plants. Those branch plants are dependent on control and on decisions being made in the United States. Those plants generally are smaller than their American counterparts; they are not as efficient.

In the case of a downturn, the Americans are going to be much more inclined to shut down the Canadian branch plants and consolidate all their operations in the American plants. In fact, in many of the major industries that are dominated by branch plants in Canada there is sufficient excess capacity right now that they could take the complete operation into their excess capacity in the United States and shut down the Canadian branch plants immediately.

I would certainly be concerned that this is precisely what could happen with Boeing. Boeing has an American operation that dwarfs the de Havilland operation in Canada, and over a period of time, Boeing would certainly have the opportunity to divert that production back to the United States and phase out the Canadian plants, which now at least are controlled by Canadian interests.

I would also be concerned about the wealth of talent in an operation like de Havilland in its engineering, research and design staff, who are the ones who really generate the value of that corporation in the unique aircraft, the Dash-8 particularly, that de Havilland has developed. It makes sense for Boeing to look at that expertise and to want to consolidate it with its current expertise in the United States. Again, we could see a situation in which our most talented people

would be taken away from Canada and Canada moves closer and closer to the long-stated conundrum facing us, that we are to be the hewers of wood and the drawers of water for the American industrial empire.

I am concerned about the federal government's action on the de Havilland situation. Ontario should have done something to counter that, to support a Canadian-backed proposal to ensure that de Havilland remained a Canadian interest.

**Mr. Ashe:** It is a privilege to speak on this very important topic this afternoon. I am sure the minister has heard it before, through you, Mr. Speaker, but it is relevant to put it on the record again, maybe even in a different perspective, looking at the background of this issue.

We always look at today, because today is very current and yesterday seems some time ago. When we look at the relatively recent history of the de Havilland operation in Downsview, however, and look back a number of years to when the company was just about ready to go out of business, the governments of the day, particularly the federal Liberal government of the day—and I give it credit for that—looked at the total situation in the context of Canadian technology, looked at the total issue—

**Mr. Haggerty:** Look back to when Diefenbaker went in and slaughtered the aerospace program in Canada, when 13,500 men lost their jobs. The government is going to do the same thing here.

**Mr. Ashe:** What is the member yacking about down there to himself? He must feel funny talking to himself. Why does he not look in the mirror? It is more appropriate.

The governments looked at the issue with respect to Canadian technology. They looked at the issue of Canadian jobs—in our case, Ontario jobs—and said: “This is a company worth saving. This is a company in which all Canadian taxpayers should participate in its future.” We all know the hundreds of millions of dollars spent to keep de Havilland in Downsview operating through the down years, through the lean years, through the years when the comeback started. That is very important to the principle of what is there.

There is no doubt that the company could have closed down. There is probably not even any great disagreement, regardless of what quarters one talks to, that it was a commodity that was not even saleable. Although many of us like to see things privatized—that is my own view and I am sure this goes for the other side of the House as

well with respect to philosophical thinking—there are times when a product is not marketable. In other words, one cannot even give it away.

Nobody wants to buy it. People say, “Hey, do you think we are crazy, that we are willing to pick up a dog’s breakfast that we will have to pour hundreds of millions of dollars into?” That could not have happened a number of years ago, regardless of the philosophical situation of the time and the government of the day—whether it was the provincial government or, more important, the federal government which, during that period, as I mentioned before, was predominantly a federal Liberal administration.

What started to turn things around? Obviously, all the money kept it going, because if one does not keep it going it is academic what one does for the future, but there was also the technology which was coming off the drawing boards, particularly while the Dash-8 was being developed, for something that was going to fly in the air. The saleability of it was being proven and the jobs were there to put it on the ground.

Who made the commitment when they practically could not give a plane away at any reasonable cost anywhere in the world because of the downturn in the economy? Commuter airlines were mothballing aircraft or keeping old vintage aircraft in place. They were not buying so de Havilland was not able to market any Dash-8s. Who stepped to the forefront?

The previous provincial Tory administration made a commitment at the time that was crucial in the history of that corporation by saying: “Hey, we will buy the first two. We need them in northern Ontario. It looks like the kind of aircraft and the kind of technology that would stand us in good stead and you need the business right now, so we will go ahead and make the commitment.”

It was not the present government, but the previous government which did that. To this day, many of the senior people within de Havilland acknowledge how important that was to the future of the Dash-8 program and to their continuing survival. One can keep making something, but if one cannot sell it, it is not worth much.

**5 p.m.**

We know now with the investment that was made of federal taxpayers’ dollars and this government’s commitment to take early delivery of aircraft, that has caught on. It carried them through the downturn in the world economy. Now the Dash-8 is recognized for what it is: first-class Canadian technology for the short takeoff and landing of commuter-type aircraft



throughout the world. Sales are abundant, but the dollars of the taxpayers of Canada and the commitment made by this government were the two factors that made it happen. In effect, we had a chance to make it happen.

There was also a time, and I think everybody would agree it was put very clearly on the record by the current administration in Ottawa, when it was going to look at all the crown agencies and corporations Canadian taxpayers had acquired over the years through the policies of others. It was time to think about privatizing some of them.

As I mentioned before, it could not have been sold a number of years ago. I do not care which party formed the administration, so I am not throwing anything back on the federal Liberal administration. But now was the time. The product had been built up and the moneys still indicated it was going to gobble up more taxpayers' dollars over the next couple of years. It was projected that another \$200 million would be needed in the coming year alone. They said, "Now is the time to turn it over to the private sector."

I think that was a good decision. I know not everybody agrees. I presume not even all my colleagues agree. But weighing all the facts, this was the time and privatization was the right route. Having said that, what has happened with the administration opposite in the last number of months, and particularly with the minister who—I concur with the accolades given before—is one of the nicest gentlemen in this House, is that, unfortunately, neither he nor the Premier has a grasp of the economic situation of this province. They do not know what it is like.

They talk about flexing their muscles, but they do not know how to flex their muscles. They showed it very clearly and definitively on the issue of de Havilland. If they had had any input, if they had had any strength at the table, on the telephone, by letter or in person, there is no doubt the Premier and the minister would have had regular dialogue, correspondence and face-to-face meetings with their counterparts in Ottawa, to make sure that any sale—I am even presuming they might support the sale, although they may not like where it has gone.

It is debatable whether there were any viable options available. We had indications there were hundreds of companies interested, but whether they were hundreds of viable companies or only three, as the minister stated earlier today, I do not know. It was very important that the government of Ontario, particularly through the Premier and the Minister of Industry, Trade and Technology,

made sure there were job guarantees included in any sale, regardless of to where, to what firm and of what origin, especially when it is a large, world-recognized firm domiciled offshore.

As I understand it, there are none. Some patent rights are protected. Some royalty rights will possibly give ongoing revenue to Canadian taxpayers. That is great, but what is it going to guarantee in Ontario? Are there guarantees of research and development carrying on at Downsview? Are there job guarantees? Are there sourcing guarantees? Is there a guarantee that Canadian technology will remain fully Canadian and will reap the benefits? I am afraid the current sale does not include all those.

I abhor the lack of input, the lack of tenacity and the lack of diligence of the Premier and the current minister in making sure that something so important to Ontarians and to labour and the jobs in Ontario was protected. In other words, they may have been there when the door was open, but they stood back until the door was closed.

**Mr. Offer:** It is a pleasure to rise and speak with respect to this very important issue. It is an important debate. I must say the comments I have heard today from members of the opposition are somewhat appalling.

I was brought up near de Havilland and lived there for 10 or 12 years. I know what that firm meant to the people in that area. I know it ought not to be lost. What we are talking about today is people. We are not talking about politics. Let us talk about what de Havilland is. Let us talk about what a great company it could be.

Since the Second World War, de Havilland has designed, built and delivered more than 4,000 aircraft worldwide. From 1945 to the late 1960s, de Havilland specialized in military and bush aircraft—single-engine Chipmunk, Beaver and Otter aircraft, and twin-engine Caribou and Buffalo aircraft.

Let us not forget that since 1968, the company has shifted to small commercial and commuter airline needs, producing 19-passenger Twin-Otter, 36-passenger Dash-8 and 50-passenger Dash-7 aircraft. Let us also not forget that de Havilland currently produces the Buffalo, a transport cargo airplane; the Twin-Otter; the Dash-7, and the Dash-8.

It is true, and it ought not to be forgotten, that de Havilland is recovering from a disastrous three-year period in 1982 to 1984, but the company's total sales in 1985 are on the upswing. Let us not forget that the problems de Havilland suffered in the early 1980s are a lot of the same problems that many businesses

throughout this country suffered. Today, because of that, de Havilland has been sold.

This is a tragedy on two counts. It is a tragedy first of all because of the arrogance of the federal Tory party in not informing this province, which is most affected, and in continuing to refuse to inform this province.

This matter certainly does transcend politics, because people are involved in this issue. I was raised in the area around de Havilland. I went to school with children whose parents worked at de Havilland and whose parents are worried about what the future has in store for them.

The federal Tory party has ignored not only the people who are directly involved in de Havilland but also the people of this province and this country. What is next? What is on their minds in Ottawa now? Which other company is on the block to be sold out? Is this the Mulroney Merry Christmas for those people who are now at de Havilland?

**5:10 p.m.**

It is also a tragedy because this arrogance is characteristic of the Tory family. Where is the responsibility of the Conservative members in opposition here? Where is their responsibility to the people of this province? Why must they continue to be political on a matter where people are involved? Why can they not be straight with the people of this province? Why can they not say that this is indeed a federal matter?

Why can they not say that there are indeed divisions within this great country of ours, as enunciated in the British North America Act, divisions that must be respected? These divisions allow for the proper growth of this country. They are divisions in which we understand and respect that there are federal matters, provincial matters and municipal matters.

Provincially the only disservice that has been rendered is that by the opposition Tory members, because they have refused to tell it truly as it is. They have refused to be straight with the people of this province. They have not stated that the actions of the federal government have damaged this country.

This sellout, this arrogance may have made this country a little less than it was, as has the action of the Conservatives in opposition in this Legislature in not having the political courage, the political wherewithal to say to their cousins in Ottawa, "You are wrong."

I have heard today the platitudes stated by those Tory members on how important this matter is, how important this issue is. Yet hardly any are left in this Legislature at this time. They

have spoken for their 10 minutes and they have left. They have done the politically proper thing, but they have not heard what other members have had to say. Politically they have done the astute thing, but they have ignored the people of this province. They have not learned a lesson.

The people of this province understand. They are not concerned with political partisanship. It is not what they want; it is not what they need. What the people need is political honesty. The people of this province from the east, the west, the north and the south understand that the political and the critical triple-A rating that has been brought forward is the triple-A rating of this government's ability, accessibility and legislation for all the people. The members over there lost that triple-A rating many years ago.

**Mr. Harris:** On a point of order, Mr. Speaker: The previous speaker, the member for Mississauga North, commented in a very derogatory way on the number of members in the Legislature who are interested in hearing his comments.

It should be on the record that there are far more members of the opposition in this Legislature listening to his remarks than there are of the government. I count nine out of 48 members who bothered even to listen to their own member for Mississauga North. That is how many are interested in this debate.

**The Acting Speaker:** Thank you for your point of view.

**Mr. Ramsay:** I, too, take exception to some of the words the member for Mississauga North spoke. Judging by his prepared text, he probably was not really listening to some of what we have been hearing from the opposition parties. There seems to be a bit of repentance on the other side and I am pleased to hear it.

The member for York Centre, who spoke previously, had some sort of conversion on the road to Göteborg, Sweden. He brought up Sweden as a prime example of a country that has developed its own technology. There are closet social democrats over here, which is a great surprise to me. I marvel at it; I think it is wonderful.

What I think we are seeing now is that this was a very clever trick by our party to smoke these people out. We see there are sympathizers on all sides of this House.

**Mr. Ferraro:** Ghostbusters.

**Mr. Ramsay:** That is what it is. That is right.

We think what is happening here is a travesty. Part of the reason is what the member for York Centre alluded to when he used the country of



Sweden as an example of a country that has a technology base and an industrial base. Why is that? Because they have had economic planning. They have fabricated and formulated an industrial strategy, something that this country and province have never done. It is the reason we are in the mess we are in today. We have to start looking at that.

I am very pleased to see some of the members of the opposition taking Sweden as an example of what one can do in this day and age of high technology. A small country can compete with some of the bigger powers and have its own industrial base, its own R and D. That is an example we should be looking at, and I commend the member for York Centre for talking about this and using it as an example.

I say to my honourable friend the member for Mississauga North across the way that we are seeing a bit of repentance here. Some of them have seen the error of their ways and maybe we can get them to come along on this. We are seeing history repeat itself here, possibly with the Avro Arrow, and we are seeing the continuation of the destruction of the aerospace industry in this country.

I would like to talk about something a little more on the emotional side of this issue, which I have not heard discussed in this House. Being a northerner, the words "de Havilland" evoke many images of this country. Names such as the Twin-Otter plane and the Beaver plane that de Havilland built over the years have built this country and opened up the north. Not only that, but these planes are sold around the world and "de Havilland" means Canada to many countries. I have always been proud as a northerner and as a Canadian of what this company means.

The travesty of what is going on here is that this company is no longer going to be Canadian. That really bothers me and I think we have to do something to try to stop that. Part of our heritage is going away here, and that is wrong. We are seeing it even in the modern planes now, with the Dash-7 and Dash-8 commuter aircraft being sold to American shuttle companies. At O'Hare Airport, some of the smaller commuter lines use the Dash-7, as we do here in Ontario.

It seems we are being counterproductive. We chose to enhance the short takeoff and landing technology that Canada developed. We said we would establish a STOLport on the Island Airport as a showcase for this technology at which Canada was number one and was innovative. Now what are we doing? We are giving it all away. We are selling out the store. That is

wrong. We have got to be more cognizant of the things we do well in this country and support them, and not only support things we do not do well.

We have to plan that way. We have to give our support to the industries where we do well and promote them in the world market. That could be the base of our industrial strategy and it would keep the R and D here. We are good at some of the modern industries. We do not have to be the hewers of wood and drawers of water all the time. We are at the forefront of many of the modern industries of today, whether it be aerospace or telecommunications. These are the things we should be cherishing and developing, because they are the industries of the future.

We have the brains in this country to do it. We have shown we are the world leaders. Yet when we start to have something and we think it is a little costly, we do not have the guts to stand beside it, to back it up and say: "This is the future. We are going to work with it and we are going to be world leaders." Instead, because we have no strategy and we have no plan, we get chicken and we sell it off.

What are we left with? It is back to the bush and back to the mines again for us as Canadians. That is why I am down here trying to stop this. We have to get our country developed into industrial jobs that are important to the world. That means high-level jobs that are going to be important to our workers and families, so we can build an economy. We are not going to build by always being a colonial state to other countries.

**5:20 p.m.**

If Japan had decided in the mid-1950s it would always produce trinkets, where would it be today? The Japanese decided that was not the way it was going to be. They decided they had an industrial strategy and they would work on it. Look where they are today. They established that determination, which we have not done as Canadians. We do not know where we are going in this country, and that is a travesty we are going to have to start to address.

I wonder if what we are seeing here is a precondition to free trade. Is this what my colleagues, who are experts on this, mean when they talk about a level playing field? Does this mean we have to start now, before we get into negotiations, and maybe sell everything off? It is a level runway, not only a level playing field. Maybe that is what they are getting at here, and it scares me. Is this just the first step? Not only is it a first step, but we are taking one of the better industries we have.

I am a little worried about the way this federal government is going, and I applaud some of the members of the official opposition who are questioning their federal colleagues in Ottawa. They should be questioning them, because this is hurting us as a country and as a province. We have to be very careful not to allow this thing to happen.

I hope we have the power and that we can get the unanimous consent of this Legislature to back up the Premier to stop this travesty, which is going to hurt us as a country and as a province. I want to conclude by saying I support the motion before the House and hope it receives the support of all the members.

**Mr. Bernier:** It is with a great deal of sadness and perhaps a little emotion and sensitivity that I join in this debate. I can say with some pride that possibly I have a little more involvement in this situation than other members of the chamber when I refer to the sadness of my feelings.

I look back on the years I have had the opportunity to be associated with de Havilland, first as a bush pilot in northern Ontario. On many occasions I have had an opportunity to fly aircraft manufactured right here in Toronto at the de Havilland plant. I have flown the Gypsy Moth, which goes back a few years. I have flown the Fox Moth, the Beaver and the Otter; so Canadian pride and sensitivity came right through to me today when I read of the sale of de Havilland. The lack of interest by this government in that sale saddened me further.

Following my years as a bush pilot and having moved into the political arena, I had the honour and privilege of being in the great Ministry of Natural Resources—first Lands and Forests and then Natural Resources—a ministry of the former government that was dedicated to the preservation of the de Havilland plant for more than 50 years. In 1924, the then Department of Land and Forests made its first purchase of a Gypsy Moth aircraft, and the government has been buying that company's aircraft ever since.

The latest purchase by the former government was the two Dash-8 aircraft of which we heard something in question period today. I was directly involved as were my colleagues, the then Minister of Transportation and Communications and the then Minister of Industry and Trade, in engineering the purchase of the first two Dash-8 aircraft to come off the production line.

We bought those aircraft when they were still on the drawing board, because we felt they were the type of aircraft we could use in northern Ontario. They were Canadian-built and, first and

foremost, they involved Canadian technology. I was pleased to accept delivery of the first Dash-8 about a year and a half ago. It is operating in northern Ontario, from Sault Ste. Marie to Sudbury and up to Timmins and doing exceptionally well.

Just last Thursday, as I pointed out to the House this afternoon, the second Dash-8 aircraft was accepted by the Ontario Northland Transportation Commission. Certainly, we hope that second aircraft will find its way to operating in northwestern Ontario as was originally planned; and as was hoped by a former Speaker of this House, in his efforts to review with the people of northwestern Ontario the possible route it should fly. His report now has been made public, not by the Minister of Northern Development and Mines (Mr. Fontaine) but by myself and the member for Rainy River (Mr. Pierce). However, that is another issue.

I want to make it abundantly clear that the taxpayers of this province made the purchase of those two aircraft for specific use in northern Ontario. If they do not fly in northern Ontario, there is going to be hell raised on this side of the House and right across northern Ontario. I serve notice to the government that is what is going to happen. I am glad the Minister of Natural Resources is here. We intend to carry that fight further.

Getting back to the sale of de Havilland, which we are here to debate, I condemn the government and the minister for their lack of involvement. It was absolutely shocking to hear in question period this afternoon that the minister involved himself in one or two meetings—a one-day effort—on a matter where 4,400 employees are involved. We also learned the Premier knew on November 26 that something positive was happening with respect to the sale of de Havilland to a foreign company. They tell us they requested information. They called Ottawa, but I guess nobody answered the phone. Anyway, there was no response.

The point that bothers me is that when the present government knew it was not going to be involved in or part of the discussion or sale, at least it could have made the public of Ontario aware of that. It was incumbent upon them to let the people know that this government was being shunted out and pushed aside by the federal government, which was going at it alone. They should have told us that. Possibly we on this side of the House could have helped them. I say that sincerely because we did, and we always do, want some job guarantees.



We have talked in this House many times about creating new jobs and protecting industry. I do not think a day goes by when there is not a question on Orders and Notices, or when somebody is standing up on either side of the House questioning the government about the protection of jobs. Here we have a sale on our hands, a fait accompli, and there is no guarantee for the 4,400 jobs now at de Havilland.

We should look at de Havilland's record with regard to employment. Back in 1928, de Havilland started with a staff of three, and it grew very quickly to 30. In 1943, they had about 7,000 employees; in 1963, more than 3,000; and in 1964, 7,800. In 1973, the number of employees went down to 2,800; in 1980, it rose up to 5,200; in 1982, it went back up to 4,100 employees; and today, in 1985, there are 4,400 employees. It is a very steady employer, members will have to admit. Yet here we are, on the eve of this sale, with no sign of any guarantee that those jobs will be in place for the future.

I say with a great deal of sadness that the present government has let us down. There is no question that de Havilland has brought a significant amount of research and development into the aerospace industry. In 1982, \$63 million was spent on research and development; in 1982, \$53 million; and in 1983, \$87 million. That is something we, as a government and as a people, should be protecting and preserving for our future. De Havilland alone represents about 25 per cent of the aerospace industry in this country.

**5:30 p.m.**

I want to go back to my sensitivity and concern about the company itself. It is truly a Canadian company. When one speaks about northern Ontario and about air transportation over the past 50 years, one automatically refers to an aircraft that was manufactured at de Havilland, such as the Gypsy Moth, the Fox Moth, the Beaver, the Otter, the Turbo Beaver, the Twin Otter and now the Dash-8, all Canadian airplanes manufactured by Canadians with Canadian technology. When one thinks of 300 Dash-8 aircraft being built, as I am confident they will be, one realizes that alone will represent about 40,000 person-years of employment in Canada. We are again on the eve of this sale, still with no guarantees.

The minister had a golden opportunity to show leadership, concern and sensitivity, to get involved, to express the concerns of 4,400 employees and nine million Ontarians, and to get the best deal possible, with some guarantees for our future and that of those workers and all Canadians who wish to protect 25 per cent of

Canada's aerospace industry. He failed on all counts and he stands condemned.

**Hon. Mr. O'Neil:** I would like to thank the members of my own party for their very kind words and support in this matter. There were even a few kind words from some of the members of the opposition on a personal basis, if not on a basis of support for the actions this government has taken.

I would like to inform the House of the actions and initiatives undertaken by my government regarding the sale of de Havilland by the federal government. I would also like to mention at this point that after calling Ottawa for some time, we have heard from them and they have told us they are prepared to give us a private briefing on the details of the contracts.

I am going to ask the two opposition leaders whether they would like to sit in on those briefings, and I will ask the federal government whether it will allow them to sit in on those briefings when they are set up. I hope that will clear up some of the questions that have been expressed by ourselves and by the members of the opposition.

When this government came to power in June, the de Havilland sale had already been in the works for eight months. We had only a brief period in which to develop and assess the alternatives. Despite the fact that the federal government appeared to view Boeing as the only serious bidder, we undertook to hold a number of meetings with other potential purchasers. For a majority of the time that the company was for sale, the previous government had the maximum opportunity to affect the terms and conditions of the sale. It should have been exercised at the crucial early stages.

As I mentioned yesterday and as has been mentioned by some of our members, de Havilland went to the then Conservative Ontario government and asked for quite a bit of help and that company was turned down. I will be touching a little more on some of those letters and requests when we have the no-confidence motion. Some of them will be very interesting.

When we came into office, the potential sale of de Havilland was brought to my attention. After being briefed on it, I feel I acted aggressively to keep all options open. It has been mentioned by the Leader of the Opposition and by some members that we were not active. Although it appeared that I took action only a couple of times, the staff and I were in consultation all the time to see how things were coming and to do the best we could.

Because of this situation, ministry staff and I discussed with another contender, Rimgate-Fokker, the difficulties it was having in obtaining access to appropriate federal government officials and the necessary information on the de Havilland sale. In response to this situation, we initiated a meeting with the federal Minister of Regional Industrial Expansion, Sinclair Stevens, to express our concern and to emphasize that he should meet with Fokker. In addition, my ministry was in contact with the Dornier group concerning its proposal. We did what we could to ensure that it also had a fair chance.

Staff of the ministry met with all three companies on several occasions and under my direction was extremely active in this process. It might also be of interest to this House to know that the Premier wrote to the Prime Minister, asking him to ensure the Dornier proposal received full and fair federal consideration and to make certain some timing and other impediments were removed. These efforts alone exceeded all the documented correspondence by the previous government.

Notwithstanding the situation we faced, my ministry contacted Canadian companies that might have formed a joint venture, a Canadian equity partnership, with the Dornier group. However, we did not get full and detailed information because the federal government was conducting negotiations according to its own objectives and schedule. It was obvious the sale of de Havilland was to be totally a federal initiative.

With regard to the deal itself, we are concerned about the potential corporate behaviour of Boeing, especially since there are no guarantees that research and development or production will be fully protected by the sale. The minister told me last Friday afternoon that the research and development would be expanded, that the engineering would be expanded, that there would be a world products mandate that would be kept at the plant here in this province, but that they would not guarantee jobs. I know that is the express concern, especially of the members of the New Democratic Party, and I have to agree totally with that concern. I also agree totally with the fear of the loss of some of the technology we have in the aerospace industry.

The federal government says there will be substantial employment created, but we can make no analysis because we did not receive the proper information when we asked for it. I might add we are pleased with the global products

mandate aspect of this deal, which appears to guarantee that this type of aircraft will continue to be manufactured in Ontario.

The federal government must assume full responsibility for the sale. I feel we have done all we can.

I might point out that even though the deal seemed a *fait accompli* when this government came to power, we did not accept that. I met with other business groups and tried to find viable Canadian alternatives. As I pointed out earlier, we had limited options and severe time constraints, but despite that we acted more positively and aggressively than the previous government did in 12 months.

Regarding some of the comments that have been made by the other members, maybe I did trust the federal government. The Premier wrote to Ottawa some time ago and had discussions with the Prime Minister. He asked for guarantees that certain things be covered and that certain things be done. He asked that there be Canadian ownership. He asked about the research and development. He asked about job guarantees. He asked about the world products mandate. These things were asked for, along with others.

We were assured, we thought, by the Prime Minister and by Sinclair Stevens, that we would be consulted on all the deals they were looking at, that all those deals would be shared with us and that we would have proper input before any decision was made.

Last Friday afternoon, when we were at the Premiers' conference, we heard the rumour that there was going to be a decision made the first of the week. We immediately got hold of Mr. de Cotret and asked that we have a meeting as soon as we could. He did grant that meeting within half an hour, but I must say even though he did that the federal government did not keep its promise, either to the Premier or to myself, that it would talk to us before any decisions were made so we would have input to try to retain that company in Canadian hands.

I feel I would be remiss also if I did not touch upon some of the previous government's actions on this. I will be touching on that quite a bit more in the no-confidence motion. If one were to review the past government's record from when the announcement was made on the sale of de Havilland, the help that was asked for and was not granted, the funding that was asked for and not granted, the way some of these companies were put off, one would be a bit surprised at the past record.



I hate to see the federal government taking the decision it has. We have had quite a few comments from the Conservative side of the House today in question period that we should have been asking some questions. We were asking the questions. We were trying to keep in touch and to have the federal government keep in touch with us. Perhaps the Conservatives should be exerting a little more pressure right now. Perhaps their upcoming no-confidence motion should be made in Ottawa rather than in Toronto.

5:40 p.m.

**Mr. Rae:** I have listened to this debate with a considerable sense of irony. It is not a bad trait with which to observe much of political life.

First, I want to say there is an underlying consensus between Liberals and Tories that has, I believe, led to the problem we now face; and that consensus, developed both federally and provincially, is that somehow public enterprise in and of itself is a bad thing. The minister is shaking his head, but in my experience since coming here, the comments made about public enterprise in this House by the Premier when he was leader of the Liberal Party in opposition and leader of the Liberal Party in government have been consistently the same. He has denigrated time and again every single public investment ever made, saying it cannot be made to work, it is not the role of government, government has to get out.

I see some of my friends in the Tory party nodding their heads. I remind them it was the Leader of the Opposition (Mr. Grossman), when he was the Treasurer, who said there was going to be a major review of all public investment in the public sector, that certain things were going to be done and certain investments were going to be sold off. We know the pervasive atmosphere in the business community today with respect to public enterprise. What we have today in Canada and in Ontario is two parties, and we really cannot tell the players without a program. We have Tories here and Liberals there, and in Ottawa it is the other way around; yet the same tunes are simply being played, one in government and one in opposition.

There is an underlying consensus, a fuddy-duddy orthodoxy that is around and has captured the minds—to put it in its broadest and most charitable sense—of the Liberal and Tory parties that somehow public enterprise has to go. I listened to the former Minister of Northern Affairs, the member for Kenora (Mr. Bernier), describe the history of de Havilland and the work that was done in de Havilland. That former minister knows and I know that were it not for the

position the federal government took—and I do not care whether it was a Liberal government or a Tory government—when the Brits moved out on de Havilland, we would not have a de Havilland here today if the public sector had not had the courage to get involved and to build that industry. He knows that, I know it and everybody in this House knows it.

Yet what has been allowed to happen is that every time the Premier or the Leader of the Opposition gets up it is to denigrate public enterprise. That is why we are here today and it is why I honestly say to both the Liberals and the Tories that I really do not believe a word they are saying.

The game was given away the day the Premier got up and said, “Public enterprise just is not going to work,” because the fact is that in this negotiation, everybody knew who the sacred cow was and who the precious partner was who was negotiating for de Havilland. It was Boeing; it had been Boeing from day one. As soon as Sinclair Stevens said, “We are going to put those companies on the auction block,” everybody knew that Boeing had the inside track. As I said earlier in my remarks, the reason for that is quite simple: The Boeing deal is part of the free trade strategy, and we all know that. The same Prime Minister who started in his youth singing a song for Colonel McCormick is singing a song for Boeing today. Nothing has changed.

These are things that must be said, because it is no accident that de Havilland has been sold out. It was sold out from under the noses of the Tories and the Liberals, and it has been sold out because of this consensus between the two old-line parties. Let us be under no illusions about it.

I know the games that are going to be played today. The Leader of the Opposition moves no confidence and says: “Look, I can go one further than you. I can cause an election.” That is not the approach we are taking to this minority government, and I make no apology for that whatsoever. I do not think the people of the province are interested in playing Russian roulette on this issue. I do not think they are interested in having people come out on their white chargers and say, “I can cause an election.”

I have caused the defeat of two governments and the loss of the jobs of two leaders of the Tory party. I do not think I have to apologize to anybody in this House for having done that; I know what it is all about. But I also know there is a time to try to make the minority situation work, to try to provide for some stability and to indicate at the same time as we are doing so that, frankly,

this is the biggest goof, the biggest error we have seen on the part of the Liberal government since it was formed.

When the Leader of the Opposition was the Treasurer, he was asked questions by the member for Port Arthur (Mr. Foulds) back on November 2, 1984. He did not indicate any strong objections to what the federal government was doing. He is on the record as saying that whether it was public or private, if it was going that way, that was okay. He had no problem at that time.

He did not dig in his heels and say, "We are going to fight to the death to protect Ontario jobs." He did not say that. He did not pick up the phone to call Mr. Mulroney and say, "You cannot give it away to Boeing and you cannot give it away to anybody else." He did not say that. He did not call up Sinclair Stevens and say, "I am the Treasurer of this province and you are going to sell out this crown asset over my dead body." He did not say that.

There is an element—it is a word I am not allowed to use in parliamentary terms which begins with an "h"—of a double standard being applied by the members of the Tory party when they get up here today and say: "Oh, how awful. What a terrible thing that has happened to de Havilland." It happened under their noses and it happened because their federal friends were doing it and they campaigned day in and day out to see that Brian Mulroney was elected. He is up there in Ottawa because the Ontario Tories campaigned for him. They are living with the results and that is their problem. If they want to move no confidence, let them go to Ottawa and move no confidence in the people who brought about this change.

The Liberal Party—the minister can stop applauding now because I have a word to say about him.

**Mr. Stevenson:** Talk about who is uncomfortable.

**Mr. Rae:** Wait a minute now. I can tell the member that I have been in this position for seven years. I would dearly love to be in another position in this House, but the voters made their choices and their decisions. I have no difficulty in criticizing both the Liberals and Tories because it is fair to say there has been this consensus developed.

I say to the Minister of Industry, Trade and Technology that I am sorry the Premier is not here to listen to this. He is having dinner with Mr. Bourassa and I wish him well; I hope he has a good meal, but I want to convey very directly to

him that the kind of cheap and cheesy attacks on public enterprise which the Liberal Party has engaged in over the years in this Legislature are not the answer to Ontario's industrial problems.

When the government sells off crown assets, it deprives the public of important industrial investment and it deprives the Canadian public of an important asset at its peril. The Liberal Party itself, not only through its neglect in its handling of this with pathetic phone calls, sent one letter off in the middle of August to cover its members' collective behinds. A letter. Come on, we all know how these processes work. Give me a break. A letter? Do the Liberals say that is some sort of answer? They do not use a letter or a dinner meeting. They should be up there every day of the week saying, "If this happens, you know the consequences for Ontario."

There have been times when Ontario has had to do that. This was such a time when Ontario should have done it and did not do it. It did not do it for a number of reasons, for the very specific reason that it has accepted the consensus, foisted on the public over the last few years by big business interests, that somehow public enterprise is a bad thing. I say to the minister that our party believes in a mixed economy. We strongly believe that markets have to be made to work, but we also believe in Canadian ownership. If the only way we can make Canadian ownership work in certain sectors is to have public ownership in those sectors, then so be it. Let us make public enterprise the kind of exciting, effective and efficient enterprise it can be.

**Mr. Ferraro:** Does the honourable member think Suncor is exciting?

**Mr. Rae:** The member for Wellington South (Mr. Ferraro) is engaging in exactly the same kind of rhetoric. The Suncor investment was \$800 million down the tubes. For a 10th of that price, we could have had de Havilland ourselves, for Ontario, but the government was not prepared to look at the world in those sorts of terms. As soon as it gave away that argument, it gave away a very important card in the negotiations with Ottawa.

It is a sad day because de Havilland has been sold out. It has been sold out by the Tories in Ottawa because they think that is the way to go. They think it is okay to give it all to Boeing, an American company. I believe that the more our economy is taken over by the Americans, the more difficult it is going to be for us to provide for the future, for jobs for our kids and for the kind of exciting work we want our scientists and our technical people to be able to do.



5:50 p.m.

I say to the minister that I deplore the failure of this government to act as the protector of Ontario in a matter that is vital to the industrial future of this province.

**Mr. Brandt:** I am somewhat distressed to have to speak on this particular item because, obviously, it is a very major, important and critical item for Ontario. I want to speak to the previous government's role in this issue, and it would be appropriate if I were to respond to some of the comments made by the member for York South with respect to the philosophical approach of our government and perhaps that of the Liberal Party as they relate to de Havilland.

We are distressed about having to call for a no-confidence motion on this issue, primarily because there are jobs at risk, as the minister well knows. There are some 4,400 jobs at risk, but I think all members of the House would share a comment that I would make relative to the 4,400 jobs. They are very special jobs. They are high-technology jobs. They are jobs that are extremely difficult to replace in our economy and jobs that should be protected at all costs.

I have heard all too frequently from across the floor the fact that the role of the previous government was not perhaps as intense, ambitious or direct as it should have been. I would only remind the minister, the Premier and the government, that the sale of de Havilland was not nearly as intense as it has been within the last couple of months or the last six months relative to the fait accompli that has become very well known to us now as a result of the decision of the federal government.

That fait accompli is something the present minister, and not the former minister, is dealing with. I speak not only for myself when I filled that particular role, but also the minister in that portfolio before me, the former Premier of this province, the member for Muskoka. The reality was that at that particular time there were discussions with respect to the possible sale of de Havilland, but it was not nearly as critical as it has been within the last few months.

**Mr. McClellan:** Why not?

**Mr. Brandt:** It was not, because frankly there was no firm decision made by the federal government. They have made it within the last few days.

I listened very carefully to the remarks of the member for York South as he discussed the philosophical aspects of this whole deal. He talked about the fact there is a sort of entrenched position on the part of both the Liberals and

Conservatives, and that is an unholy alliance if I can ever think of one, relative to the whole question of public companies. This party is not inflexible, nor does this party lack pragmatism when it relates to public corporations.

We have engaged in the ownership of public corporations many times, with a great deal of criticism coming across the floor from people who perhaps do not believe that is the way to go. But we have no objection, no discomfort and we do not feel ill at ease at the ownership of de Havilland being in government hands.

The fact of the matter is that in connection with the whole de Havilland affair, the present minister—and I listened carefully to what the minister had to say—time and again talked about the involvement of his particular ministry. I have to say I was very impressed by the number of contacts made by his ministry, but I was singularly unimpressed with the number of contacts he made personally. He showed a singular disinterest in the critical importance of this particular matter by not becoming more personally involved and discussing further with the Rimgate Holdings Ltd. group or others who may have been potential purchasers of this particular enterprise, as I think he should have.

I say to the members of the third party, what have we done to support de Havilland over the years? There is no single entity, either the federal government or provincial government, that gave more assistance to de Havilland than this party did when we were the government.

An example is that, as an indication of faith in the technology that was being produced by de Havilland and as an indication of the faith we felt behind the management of that particular firm, back in the days when de Havilland was first forming, this government purchased the Gypsy Moth airplane, the Fox Moth, the Beaver, the Otter, the Twin Otter, the Dash-7 and the Dash-8. We were the first ones to make those particular purchases, with the specific intent of helping the Treasury of this province. We did that as a direct indication of our confidence in the type of product being produced by that company.

I want to suggest there are ways to help a company. One of the ways we chose to exercise was to become directly involved in the purchase of products that were being produced by that company. My colleague, the member for Kenora, pointed out to me when we were discussing this issue earlier the very real fact that two purchases of the Dash-7 triggered something like 100 sales. Is that not correct?

**Mr. Bernier:** Right.

**Mr. Brandt:** There were 100 sales triggered as a result of the action of this government. I want to tell the member for York South again that when he stands up and waxes self-righteous about private and public ownership, when the economy of this province can operate more efficiently and effectively with public ownership, we will continue to be involved in public ownership. We do not have any problem with that at all. He should not tell me we are philosophically entrenched in some position.

**Mr. Rae:** Why didn't you do something about it when you had the chance?

**Mr. Brandt:** We have, with a number of companies, in a number of different ways.

**Mr. Speaker:** Order.

**Mr. Brandt:** What we have problems with, Mr. Speaker, and I will address my remarks to you because I can see that I am causing some problems at the far end, is the amount of public ownership that some parties in this House may look upon in a favourable way. We want to limit it to areas where it is necessary for the public and/or the government to get involved in direct investment.

So I have to say to the Minister of Industry, Trade and Technology that if a minister from the former government were in his position, he would have worked directly with either the Rimgate group or others, in an attempt to bring about Canadian ownership, because we feel strongly about keeping that technology in Canada.

The government that is currently representing this province, with all the programs it has brought forth, has made it singularly obvious it does not understand market conditions, what it is to market, sell and promote a product, or what it is to create new revenues, wealth and expansion in the province. Its very budget calls for a reduction in jobs because frankly it does not know what it is doing. It knows how to spend money but it does not know how to create money. It does not know how to create wealth, or the fundamental necessities to make this a better province.

I have to say that the de Havilland issue—

**An hon. member:** Deerhurst and Suncor are the answer.

**Mr. Speaker:** Order.

**Mr. Brandt:** —really points that out in a direct way. It points out that this government has

fumbled the ball, and it has caused a situation where I hope we do not lose even more important high-tech jobs in this province because they are so vital and so critical to the future welfare of the people we represent.

## BUSINESS OF THE HOUSE

**Hon. Mr. Nixon:** Mr. Speaker, I would like to indicate the business of the House for the remainder of this week and next.

Tonight, we have second reading of Bill 54, the Ontario Drug Benefit Act, and Bill 55, the Prescription Drug Cost Regulation Act.

On Friday, December 6, we will have the second and third readings of Bills Pr15, Pr19, Pr22, Pr24, Pr25, Pr27, Pr30 and Pr39, and estimates of Management Board of Cabinet.

On Monday, December 9, in the afternoon we will have the estimates of Management Board of Cabinet. In the evening, if time permits, we will have second reading of Bill 51, the Gasoline Tax Amendment Act, with committee of the whole House on Bills 45, 46, 47, 48, 49, 50 and 51. We will have second reading of Bills 44, 43, 22, 11, 13, 34 and 3.

There are a lot of optimists in this House.

On Tuesday, December 10, in the afternoon and evening we will have Bill 17, the Highway Traffic Amendment Act, which, in the absence of the Minister of Transportation and Communications (Mr. Fulton), will be presented to the House by the Attorney General (Mr. Scott), because it contains the section of interest to all members of the House and citizens of the province having to do with licence suspension on conviction of impaired driving. Then we will go on to Bill 24, the Regional Municipality of Hamilton-Wentworth Amendment Act, followed by legislation not completed on Monday, if any.

On Wednesday, December 11, the usual three committees may sit.

On Thursday, December 12, in the afternoon we will have private members' business standing in the name of Mr. McClellan and Mr. Ward. In the evening we will have the debate on the interim report of the select committee on economic affairs.

On Friday, December 13, we will have the completion of our continuing discussion on redistribution, if possible.

The House recessed at 6 p.m.



## ERRATUM

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